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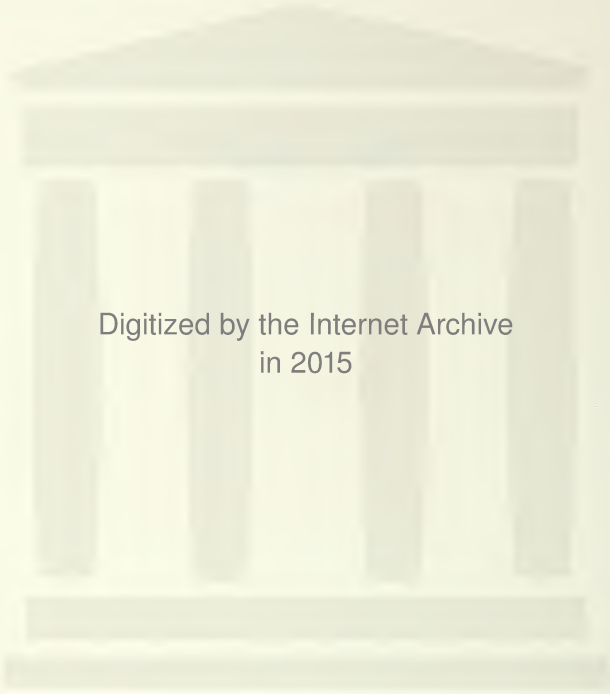
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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, January 12, 1988 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT:

	Joseph D. Driscoll	Vice President
	Nancy Walker	President, Board of Supervisors

	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, December 8, 1987.

ACTION: Approved as Submitted.

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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were considered under the Consent Calendar:

ITEM

1. a. VOLUNTARY SERVICE RETIREMENT LIST - 11-87
   b. VOLUNTARY SERVICE RETIREMENT LIST - 12-87
   c. VOLUNTARY SERVICE RETIREMENT LIST - 13-87

2. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Michael Ahumada $659.20
   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Ronald C. Anthony 1,794.55
   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Paul J. Davis $43.00
   d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Zula Jones 1,274.25
   e. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Richard D. Kemp $43.00
   f. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Alan McCann 14,452.89
   g. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Jeff N. Rusteen $726.52
   h. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Dale W. Thorpe $43.00

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3. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Roland Lee $1,750.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Arthur O'Keefe $6,500.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lory M. Ringuette $4,500.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Wylie L. Torrence $4,000.00

4. a. REQUEST TO WITHDRAW FUNDS FROM DEFFERED COMPENSATION PLAN:
Daniel Robert Davis

b. REQUEST TO WITHDRAW FUNDS FROM DEFFERED COMPENSATION PLAN:
Edward L. Williams

5. a. REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE ALLIANCE CAPITAL PUBLIC EMPLOYEE RETIREMENT FUND INVESTMENT CONFERENCE, MARCH 10-13, 1988, IN SCOTTSDALE, ARIZONA.

b. REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE ANNUAL MEETING OF NCPERS, APRIL 10-14, 1988, IN CHICAGO, ILLINOIS.

c. REQUEST FOR AUTHORIZATION FOR TWO STAFF MEMBERS TO ATTEND GOVERNMENT FINANCE OFFICERS ASSOCIATION ANNUAL CONFERENCE, MAY 1-4, 1988, IN ATLANTA, GEORGIA.

d. REQUEST FOR AUTHORIZATION FOR THE GENERAL MANAGER TO ATTEND THE CAPITAL GUARDIAN TRUST COMPANY INTERNATIONAL SEMINAR, MAY 2-4, 1988, IN LONDON, ENGLAND.

6. HEARING OFFICER DECISIONS:

a. James C. Berkeley
PUBLIC HEALTH - 2786 Gen. Serv. Manager
ORDINARY/STIP DISABILITY — DENIED

b. Arlister Cato
PUBLIC HEALTH - 2604 food Service Worker
ORDINARY DISABILITY
Effective Date: August 7, 1987 — GRANTED

c. Clyde Gray, JR.
PUBLIC HEALTH - 2736 Porter
ORDINARY DISABILITY
Effective Date: May 1, 1987 — GRANTED

d. Dorothy A. Harris
MUNI - 9163 Transit Operator
ORDINARY RETIREMENT
Effective Date: May 1, 1987 — GRANTED

e. Wai Lung Lee
JEFFERSON SCHOOL DISTRICT - 2672 Houseparent
ORDINARY DISABILITY
Effective Date: November 1, 1987 — GRANTED

ACTION: It was moved by Ashe, seconded by Gibson, to adopt the Consent Calendar items 1 through 6; motion passed, 5-0.

ACTION: It was moved by Weisberg, seconded by Gibson to accept the Hearing Officer Decisions; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. PRESENTATION OF MAYOR'S LETTER COMMENDING THE RETIREMENT SYSTEM DEPARTMENT FOR ITS MANAGEMENT BY OBJECTIVES PERFORMANCE FOR THE FISCAL YEAR 1986-1987.

   ACTION: It was moved by Weisberg, seconded by Gibson, to felicitate Clare Murphy, General Manager, on receiving the Mayor's Department Head of the Year award; motion passed, 5-0.

   ACTION: It was moved by Weisberg, seconded by Gibson, to commend the General Manager and the staff of the Retirement Staff on their performance in meeting the goals and objective set in the Department's MBO Plan; motion passed, 5-0.

INVESTMENT CALENDAR

ITEM

1. PRESENTATION BY STAFF AND CALLAN ASSOCIATES ON EXTERNAL DOMESTIC FIXED INCOME MANAGERS PERFORMANCE EVALUATION.

   DeWitt Bowman, Chief Investment Officer, and Russ Blumenthal of Callan Associates presented a written and oral report on external fixed income managers performance review. The Board engaged in a question and answer session with the staff and Mr. Blumenthal. The Board requested that the Staff and Callan Associates present additional information on long term results for different forms of investment style mixes for fixed income investments. No action was taken on this item; information item only.

2. PRESENTATION BY STAFF AND PENSION REALTY ADVISORS ON EQUITY REAL ESTATE INVESTMENT PROPOSAL.

DeWitt Bowman, Chief Investment Officer, and Susan Barlow of Pension Realty Advisors (PRA) made a written and oral presentation to the Board on equity real estate investment proposal.

ACTION: It was proposed by Gibson, seconded by Weisberg, to proceed as proposed by Ms. Susan Barlow and commence a search for a core portfolio advisor by interviewing three candidates proposed by Pension Realty Advisors with a specific plan to develop joint investment participation vehicles; motion passed, 5-0.

3. CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy Votes

	For	Against
Brooklyn Union Gas - 60,000 shares Shareholder Proposals		
Requiring cumulative voting for directors.	5	0
Emerson Electric - 131,500 shares Shareholder Proposal		
Requiring the Company to report on the diversification of military contracts within the Company, the number and job military skills of employees dependent upon contracts, and the future plans of company to convert military contract production to other uses.	2	3

Becton Dickinson - 50,000 shares
Shareholder Proposal

To rotate the size of the annual meeting between cities which contain a large number of shareholders.	0	5
Requires Directors to be elected annually instead of the present classified three-year term.	4	1

Westvaco - 10,125 shares
Shareholder Proposal

Requires Directors to be elected annually and not by classes as is now provided.	4	1

b. US Companies currently doing business in South Africa

A list of US companies currently doing business in South Africa, prepared by staff, was distributed.

c. List of Companies staff met with in December 1987

A list of companies staff met with in December 1987 was distributed.

d. DeWitt Bowman, Chief Investment Officer, stated that he would be attending Limited Partners Meeting on Coldwell Banker Fund III in Los Angeles on Wednesday January 13, 1988.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg, to consider the Supplemental Calendar; motion passed, 5-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Budford Johnson $6,275.00

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Joseph L. O'Neil

   ACTION:: I was moved by Weisberg, seconded by Walker, to adopt items 1 and 2 of the Supplemental Calendar; motion passed, 5-0.

3. REPORT ON SETTLEMENT OF DISPUTED CLAIM - LOUETTE COLOMBANO

   Dan Maguire, Deputy City Attorney presented an oral report to the Board on a settlement of disputed claim on the Louette Colombano case. No action was taken; this was an information item only.

EXECUTIVE SESSION

The Board went into executive session to consider a personnel matter. They reconveyed in open session and announced they had reviewed the performance evaluation of Kieran Murphy, staff actuary, for his first six months of employment. The Board commended Mr. Murphy's performance.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Mayor's Fiscal Advisory Committee presented a report, proposing change in funding method for the Trust Fund. The General Manager and staff will review the proposal with the Board.

2. On March 6-7, 1988, CALAPRS General Assembly will be held in San Diego, California. All Board members are invited to attend.

There being no further business, the Board adjourned at 6:00 p.m.

Respectfully submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by court reporter: Richard Adams.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, JANUARY 26, 1988 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg, M.D.	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, January 12, 1988.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were considered under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 14-87

2. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Stan Montoya 6,000.00

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Mary Ann Clark

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Richard Pasquinelli

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lillian C. Sheasey

4. HEARING OFFICER DECISIONS:

a) Bobbie Campbell
DPW - 7514 Laborer Supervisor
ORDINARY DISAILITY
Effective Date: October 1, 1987 GRANTED

b) David Goldstein
DPW - 6106 Sanitary Eng. Technician
ORDINARY DISABILITY
Effective Date: November 1, 1987 GRANTED

c) Wayne W. Knutsen
FIRE DEPT. - H20 Lieutenant
ORDINARY DISABILITY
Effective Date: November 1, 1987 GRANTED

d) Vincent Sullivan
FIRE DEPT. - H22 Lieutenant
INDUSTRIAL DISABILITY/STIP
Effective Date: August 4, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Driscoll to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. ADOPTION OF FINAL RETIREMENT SYSTEM BUDGET FOR FISCAL YEAR 1988-1989.

   Clare Murphy, General Manager, and Rudolph Hernandez, Deputy General Manager, presented a written and oral report on the final Retirement System budget for the fiscal year 1988-1989. The Board engaged in a question and answer session with Ms. Murphy and Mr. Hernandez.

   The Retirement Board met in Executive Session to review the personnel items in the 1988-89 Budget. At the close of the Executive Session the Board took the following action.

   ACTION: It was moved by Ashe, seconded by Gibson, to approve the budget as proposed; motion passed, 5-0.

2. CONSIDERATION OF RETIREMENT SYSTEM ASSOCIATION WITH CALHOME (REALCORP).

   Clare Murphy, General Manager, presented a written and oral report on the Retirement System's Association with CALHOME (REALCORP). The Board reviewed and discussed the matter with her.

   ACTION: It was moved by Driscoll, seconded by Ashe, to direct Retirement System staff to inform employees and beneficiaries of the Retirement System that the Retirement System is in no way associated with CALHOME/REALCORP; motion passed, 5-0.

3. REVIEW OF PROCEDURE FOR NUISANCE WITHDRAWAL OF DEFERRED COMPENSATION:

   Pam Levesque, Executive Assistant, addressed the Board on the adoption of a new procedure for "nuisance" withdrawal of funds from the Deferred Compensation Plan. She presented a "Withdrawal Request and Statement of Understanding" form used by another jurisdiction for "nuisance" cases, and recommended that the Retirement System adopt a similar form to be processed at the Hartford Office.

   ACTION: It was moved by Gibson, seconded by Walker, to adopt the "nuisance" form for withdrawal from the Deferred Compensation Plan; motion passed, 5-0.

CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy vote

Rockwell International Corporation - 35,900 shares

Shareholder Proposals	For	Against
Cumulative voting for directors	5	0
To formulate a plan to remove the radioactive wastes and prevent any further radioactive wastes at the Rocky Flats plant which the company operates under contract for the Department of Energy.	1	4
To publish an annual report on the status of all employees including sector profiles of women and minorities, status of affirmative action programs, action to prevent age discrimination, and efforts to improve equal employmment opportunities.	4	1

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker, to consider the Supplemental Calendar; motion passed, 5-0.

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Thomas O'Dowd

2. ADOPTION OF RESOLUTION IN CONNECTION WITH PARTICIPATION IN SCHRODER REAL ESTATE FUND A

   ACTION: It was moved by Ashe, seconded by Gibson, to adopt items 1 and 2 of the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported that:

1. Investor Responsibility Research Center Inc. (IRRC) will be holding their annual Roundtable on Monday, February 29, 1988.

2. California Association of Public Retirement Systems (CALAPRS) will be holding their Annual General Assembly in San Diego on March 6-7, 1988.

3. National Conference on Public Employee Retirement Systems (NCPERS) will be holding a Conference in Chicago, April 10-14, 1988. On this occasion the Senior Vice President of the Fox group has extended an invitation to the visiting Commissioners for a lunch or dinner any day during April 11-13, 1988.

4. She discussed the contents of a report received by her from the Mayor's Fiscal Advisory Committee on phase one of the study on pension management, and discussed the possibility of a proposed charter amendment in this connection.

EXECUTIVE SESSION

The Retirement Board met in Executive Session to review the personnel portion of the 1988-89 Retirement System budget. By motion the Board directed staff to ensure that the three areas of investment specialty be properly provided for in the classification and testing of the three proposed "Portfolio Manager" positions in the investment personnel budget.

ACTION: It was moved by Driscoll, seconded by Walker, to approve the motion; motion passed, 5-0.

(See item 1 of the Regular Calendar for action on the Budget.)

There being no further business
the Board adjourned at 4:00 p.m.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court Reporter: Richard Adams.

R E S O L U T I O N

WHEREAS, on December 8, 1987 the Retirement Board by motion decided that it would invest approximately $20 million of its allocation for real estate investments to Schroder Real Estate Fund A (the "Fund");

WHEREAS, the Fund is a group trust;

THEREFORE BE IT RESOLVED, that John E. Emmanuel, Charles Grossman, Norman L. Peck, Mark Peskin and Linda F. Wooldridge and any successor trustee (the "Trustees") are appointed as trustees of the funds to be invested in the Fund;

BE IT FURTHER RESOLVED, that the Trustees are authorized to commingle the funds invested by the Retirement Board with the other funds invested in the Fund, and

BE IT FURTHER RESOLVED, that the Retirement Board agrees to be bound by the terms of the Declaration of Group Trust Schroder Real Estate Fund A.

This resolution was adopted by the Retirement Board on January 26, 1988.

PAUL F. DENNING
President

CLARE MURPHY
General Manager

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 9, 1988 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Commissioner
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:

	Raymond L. Weisberg, M.D.	Commissioner
	Nancy Walker	President, Board of Supervisors

	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, January 26, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

1. STAFF REPORT ON PERFORMANCE OF THE INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1987.

   Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report on the performance of the internal and external equity managers for the period ended December 31, 1987. The Board reviewed the report and engaged in a question and answer session with staff. No action was taken; information item only.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1987.

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the performance of the internal and external fixed income managers for the period ended December 31, 1987.. The Board reviewed and discussed the report with staff. No action was taken; information item only.

3. STAFF REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1987.

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the total portfolio performance for the period ended December 31, 1987. The Board reviewed the report and engaged in a question and answer session with staff. No action was taken; information item only.

4. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING APRIL 30, 1988

   DeWitt Bowman, Chief Investment Officer, presented staff's recommendation on allocation of funds for the period ending April 30, 1988. The Board reviewed the recommendations and discussed them with staff.

   ACTION: It was moved by Ashe, seconded by Gibson, to adopt staff's recommendations as presented; motion passed, 4-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer reported:

a) Mr. Bowman presented lists of US and international companies currently doing business in USA

b) Mr. Bowman reported that based on the profiles of the top 1,000 pension plans received from the Pension and Investment Age, the San Francisco Employees' Retirement System ranked as the 88th largest of all Public, Corporate, and Union Plans, and that it is the 40th largest public fund and 4th largest municipal fund.

c) Mr. Bowman presented a list of companies visited by the Investment Division staff during the month of January 1988.

d) Mr. Bowman handed out a report on public fund proxy voting.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 15-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Famous Limbrick, Jr. $ 5,000.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Bruce J. Rosenberg $205.85

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Fred. L. Williams $ 1,462.32

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Gordon Andersen $8,500.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joel Hurwitz

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Nadine L. Smith

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Alfredo H. Talorda

5. a) REQUEST FOR ONE STAFF TO ATTEND THE 21ST ANNUAL INVESTMENT MANAGEMENT WORKSHOP, JULY 17-22, 1988, AT THE WOODROW WILSON SCHOOL OF PRINCETON UNIVERSITY.

b) REQUEST FOR ONE STAFF TO ATTEND THE GLOBAL ASSET ALLOCATION CONFERENCE, MARCH 16-19, 1988, IN TUCSON, ARIZONA.

6. HEARING OFFICERS DECISIONS

a) Ronald M. Cutler
FIRE DEPT. - H-30 Captain
INDUSTRIAL DISABILITY/STIP
Effective Date: July 3, 1987 GRANTED

b) David A. Dyc
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: April 4, 1988 GRANTED

c) Ronald J. Freeman
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: July 1, 1987 GRANTED

d) William C. Petty
DPH - 6122 SR. Env. Health Inspector
ORDINARY DISABILITY
Effective Date: January 9, 1988 GRANTED

7. HEARING OFFICERS DECISIONS - REHEARING:

a) Harold M. Suslow
POLICE - 0380 Inspecter
INDUSTRIAL DISABILITY /STIP
Effective Date: November 30, 1985. GRANTED

ACTION: It was moved by Gibson, seconded by Walker, to adopt the Cosent Calendar; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2bl of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Ashe, to hear the Supplemental Calendar; motion passed; 4-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Maggie Brown $65,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THRID PARTY SETTLEMENT:
SA'EED ALI MUHAMMAD $6,000.00

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSAION PLAN:
Jerry Puckett

4. REQUEST FOR ONE STAFF TO ATTEND PENSION ECONOMICS' "PUBLIC PENSION PLANS AND THE PUBLIC SECTOR" MEETING, APRIL 14-15, 1988, IN CHICAGO, ILLINOIS.

ACTION: It was moved by Gibson, seconded by Ashe, to adopt items 1 through 4 of the Supplemental Calendar; motion passed, 4-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:
a) Proxy votes

Gulf & Western Inc. - 9,900 shares
Shareholder Proposal

Restricting the number and terms of stock options that could be distributed to corporate management	0	5

General Cinema - 13,400 shares
Shareholder Proposal

To Allow cumulative voting for directors	5	0

6. ADDENDA 1988-89 BUDGET - $53,000.00 TO WORKERS COMPENSATION INTERGOVERMENTAL FUND FOR LEGAL SERVICES

Clare Murphy, General Manager, Rudolph Hernandez, Deputy General Manager, Dan Maguire, and Deputy City Attorney, presented a written and oral report on a request for additional funding for the Legal Division for Fiscal Year 1988-1989. The Board reviewed and discussed this matter with staff.

ACTION: It was moved by Gibson, seconded by Ashe, to approve addenda to 1988-89 budget; motion passed, 4-0.

Note: Paul Denning, President of the Retirement System Board, arrived at this time.

REGULAR CALENDAR

ITEM

1. REVIEW OF PROPOSED CHARTER AMENDMENTS - JUNE 1988 ELECTION

Clare Murphy, General Manager, presented a written and oral report on each of the Charter Amendments affecting Retirement System. The Board reviewed and discussed these amendments with staff. No action was taken; information item only.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. At the meeting held by CALAPRS on January 29, 1988, she was elected President of CALAPRS.

2. She distributed the Conflict of Interst Codes.

3. A news clipping on Domestic Partership legislation was handed out to the Board, outlining a proposal by Supervisor Britt to extend health and work benefits to unmarried partners. Also distributed to the Board was Supervisor Nelder's Resolution on this matter.

4. She informed the Board members of the recent PERS ruling which stipulated that PERS will no longer accept valuation studies on certain member groups. This will impact the Port Commission, Mental Health, Sheriff, District Attorney Investigators, Airport and Housing.

5. She reported that Prop J implementation proposal will be calendared at the Retirement Board meeting of February 23, 1988.

There being no further business the Board adjourned at 6:30 p.m.

Respectfully Submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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SPECIAL MEETING

TUESDAY, FEBRUARY 16, , 1988 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Commissioner
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:

	Raymond L. Weisberg, M.D.	Commissioner
	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

ITEM

1. REPORT RE ACTUARIAL VALUATION STUDY OF RETIREMENT SYSTEM AS OF JUNE 30, 1987.

   Kieran Murphy, Staff Actuary, and Bill Smith, Consulting Actuary of Millimman & Robertson, presented a written and oral report on the Actuarial Valuation Study of the Retirement System as of June 30, 1987. The Board reviewed and discussed the report with Mr. Smith and Mr. Murphy. The Board also engaged in a question and answer session regarding the implications of the study. No action was taken; information item only.

2. REQUEST FOR ADOPTION OF CITY AND COUNTY RATES OF CONTRIBUTION FOR FISCAL YEAR 1988-1989.

   Kieran Murphy, Staff Actuary, and Bill Smith, Consulting Actuary, presented a written and oral report for adoption of City and County rates of contribution for fiscal year 1988-1989. The Board reviewed and discussed the report.

   ACTION: It was moved by Driscoll, seconded by Gibson, to adopt

the report as presented and the rates as recommended by the staff and the consulting actuary; motion passed, 5-0.

See attached.

There being no further business the Board adjourned at 3:45 p.m.

Respectfully Submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 23, , 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	Commissioner
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:

	Paul F. Denning	President
	Raymond L. Weisberg, M.D.	Commissioner
	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, February 9, 1988
Minutes of Special Meeting, February 16, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 16-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Raymond R. Abinati $ 4,049.00

   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   James Howard $ 1,767.12

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Charles Crain

   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Richard King

   c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Salvacion Haohao

4. a) REQUEST FOR THREE STAFF TO ATTEND THE CONFERENCE SPONSORED BY THE CENTER FOR REAL ESTATE OF THE UNIVERSITY OF CALIFORNIA AT BERKELEY, MARCH 31, 1988, IN SAN FRANCISCO.

b) REQUEST FOR ONE STAFF TO ATTEND THE CONFERENCE ORGANIZED BY INSTITUTE FOR INTERNATIONAL RESEARCH ON INVESTMENT STRATEGIES FOR PUBLIC FUNDS, APRIL 7 & 8, 1988, WASHINGTON, D.C.

5. HEARING OFFICERS DECISIONS:

a) Richard D. Hedman
CITY PLANNING - 5283 Principal Planner
ORDINARY DISABILITY
Effective Date: January 7, 1988 GRANTED

b) Robert H. Davis
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: December 1, 1987 GRANTED

c) Shirley M. Robinson
Social Services - 2905 Sr. Elig. Worker
ORDINARY DISABILITY
Effective Date: November 1, 1987 GRANTED

d) Connie R. Walley
SOCIAL SERVICES - 2904 Technician
ORDINARY DISABILITY
Effective Date: December 1, 1987 GRANTED

e) Herbert Wood
DPW - 7355 Truck Driver
ORDINARY DISABILITY
Effective Date: November 1, 1987 GRANTED

CONTINUATION OF ALLOWANCE

f) Patricia Mazzuco (wife of Thomas Mazzuco - deceased)
POLICE - 0380 Inspector
ORDINARY DISABILITY
Date of Death: February 25, 1987 GRANTED

REINSTATEMENT

g) Alfred S. Willingham
MUNI - 9163 Transit Operator
REINSTATEMENT GRANTED

ACTION: It was moved by Walker, seconded by Ashe, to adopt the Consent Calendar; motion passed; 4-0.

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

1. REQUEST FOR ONE STAFF TO ATTEND "FIXED INCOME MANAGEMENT" CONFERENCE, SPONSORED BY GIFFORD FONG ASSOCIATES, APRIL 24-28, 1988, WALNUT CREEK, CALIFORNIA.

2. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Joseph Cueva $40,000.00

b) SETTLEMENT OF DISPUTED CLAIM _ COMPROMISE & RELEASE:
Leroy Huey $90,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Edwin Lee $60,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Gerald Reynolds $1,700.00

ACTION: It was moved by Ashe, seconded by Gibson, to adopt the Supplemental Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. PURCHASE OF SERVICE CREDIT FOR REPRESENTATIVE SERVICE

Kieran Murphy, Staff Actuary, presented procedures and regulations for purchase of representative service credit. The

Board discussed aspects of the issue with Dan Maguire, City Attorney, Kieran Murphy and Clare Murphy, General Manager. The Board directed staff and the City Attorney to further explore part time representative service issues.

ACTION: It was moved by Gibson, seconded by Walker to adopt the recommended procedures and regulations; motion passed, 4-0.

2. COST OF LIVING ADJUSTMENT FOR CHARTER SECTION 8.526 TO BE EFFECTIVE 7-1-88.

Kieran Murphy, Staff Actuary, presented a written report on the proposed cost of living adjustment for those retirees covered by Charter Section 8.526, which is to recommend a 2% increase effective 7-1-88.

ACTION: It was moved by Ashe, seconded by Walker, to adopt the cost of living recommendations; motion passed, 4-0.

3. REVIEW OF PROPOSED CHARTER AMENDMENTS - JUNE 1988 ELECTION

Kieran Murphy, Staff Actuary, presented written reports to the Board, updating current status of proposed Charter amendments for the June 1988 election. Due to time and quorum considerations, the Board directed the item be carried forward to the March 8, 1988 meeting.

INVESTMENT CALENDAR

ITEM

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDED DECEMBER 31, 1987.

Mr. Barry Dennis of Callan Associates presented a review of performance by the Trust Fund and its managers for the quarter ended December 31, 1987. No action was taken; information item only.

2. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS:

First Chicago Investment Advisors
Oechsle International Advisors
Bankers Trust Investment Management
Hahn, Holland & Grossman
George B. Springman, Inc.

Senior representatives of Oechsle International Advisors, Bankers Trust Investment Management, and George B. Springman, Inc., made presentations and answered questions of Board members. First Chicago Investment Advisors, and Hahn, Holland & Grossman were continued to a later date. No action was taken; information item only.

4. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowman, Chief Investment Officer, and Clare Murphy, General Manager, discussed the newly introduced Roos and Elder Assembly bills. These bills will restrict California Public Pension Plans from investing in international investments. This item will be calendared for further consideration at a later meeting.

There being no further business the Board adjourned at 5:30 p.m.

Respectfully Submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
Court Reporter: Richard Adams.

SF
R55
#3
3/8/88

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 8, 1988 - 1:30 PM

PRESENT:	Paul Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, February 23, 1988

ACTION: Approved as Submitted.

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APR 6 1988
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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 17-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Willie D. Crosley $4,000.00

   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   James E. Thalhammer $1,145.60

   c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Jim W. White $ 312.10

3. a) REQUEST FOR ONE BOARD MEMBER TO ATTEND INSTITUTIONAL INVESTOR'S GLOBAL PENSION FUND FORUM TO BE HELD MAY 8-10, 1988, IN PARIS, FRANCE.

   b) REQUEST FOR TWO STAFF AND ONE BOARD MEMBER TO ATTEND THE INSTITUTE FOR FIDUCIARY EDUCATION'S "MARKET MAKERS" PROGRAM TO BE HELD JUNE 13-15, 1988, IN CARMEL, CALIFORNIA.

   c) REQUEST FOR TWO BOARD MEMBERS TO ATTEND THE FUNDAMENTALS OF MONEY MANAGEMENT WORKSHOP, SPONSORED BY INTERNATIONAL FOUNDATION OF EMPLOYMENT BENEFIT PLANS, TO BE HELD SEPTEMBER 13-17, 1988, AT THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PENNSYLVANIA.

4. HEARING OFFICER DECISIONS:

a) LEON D. BRUSCHERA
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: February 9, 1988 GRANTED

b) Ward L. Holmes
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY
Effective Date: February 11, 1988 GRANTED

ACTION: It was moved by Walker, seconded by Ashe, to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

1. REVIEW OF PROPOSED CHARTER AMENDMENTS - JUNE 1988 ELECTION (carried over to the Board Meeting of March 29, 1988).

2. REPORT AND REVIEW OF PROPOSED ASSEMBLY BILLS # 2874 (ELDER) and 3355, 3356 (ROOS)

Clare Murphy, General Manager, presented a written and oral report explaining the impact of the proposed assembly bills. The Board reviewed the bills and engaged in a question and answer session. No action was taken at this meeting; item carried over to the next scheduled Board meeting.

Note: Commissioner Weisberg arrived at this time.
Note: Commissioner Denning arrived at this time.

3. REVIEW OF BUDGET CRISIS AND REQUEST FOR FUNDING PERIOD EXTENSION PROPOSAL.

Clare Murphy, General Manager, and Rudolph Hernandez, Deputy General Manager, presented a written and oral report on the budget crisis and the request for the pension funding extension proposal. The following proposals were discussed:

1. The Mayor's office has asked the Retirement System to provide a 20% cut in the 1988-1989 budget. In discussions with the budget analyst, a decision was reached that the pension trust will not be part of the projected cutbacks. However, the Workers' Compensation Division will experience a reduction in budget.

2. It was proposed for the pension fund to extend the funding horizon on a rolling twenty year basis. The Board reviewed and discussed this option.

The Board directed staff to come up with alternatives to address the city's budget crisis. The Board will review these options at the next regularly scheduled meeting.

The Board also directed staff to oppose the rolling 20 extended funding option program. The Board directed staff to take into account actuarial considerations and not to consider any funding mechanism extending beyond ten additional years.

SPECIAL ORDER

ELECTION OF OFFICERS	President and Vice President
For President:	It was moved by Weisberg, seconded by Gibson, to nominate Joseph Driscoll as President; there were no other nominations. Commissioner Driscoll was elected President for the next 12-month period.
For Vice President:	It was moved by Walker, seconded by Ashe, to nominate Bonnie Gibson as Vice President; there were no other nominations. Commissioner Gibson was elected Vice President for the next 12-month period.

INVESTMENT CALENDAR

1. REPORT OF VENTURE CAPITAL ACTIVITIES BY CROSSROADS CAPITAL.

Representatives from Crossroads Capital- Peter Seigal, Hal Bigler and Malcolm Macnaughton presented a written and oral report on the pension fund's venture capital activities for the past quarter. The Board reviewed and discussed the matter with them. No action was taken; information item only.

2. REAL ESTATE MANAGER PRESENTATIONS:

Susan Barlow from the Pension Realty Advisors introduced the following real estate management firms:

a. Richard Ellis Ic.
b. J. W. O'Conner & Co.
c. Lehndorff and Babson Real Estate Counsel

Note: Dr. Weisberg left at this time.

Each manager presented a written and oral presentation. Susan Barlow and Bill Ramseyer reviewed each manager and their styles. The Board reviewed and discussed each manager. No action was taken at this time.

Note: Dr. Weisberg left at this time.

INVESTMENT CALENDAR

3. ACTIVITIES AND PERFORMANCE OF EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED DECEMBER 31, 1987.

Carolyn Hamilton, Assistant Chief of Investments, presented a written report on the activities and performance of external international equity managers for the quarter ended December 31, 1987. If the Board has any questions with respect to this report they may contact staff or raise issues at the next regularly scheduled Board meeting. No action was taken; information item only.

4. ACTIVITIES AND PERFORMANCE OF EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED DECEMBER 31, 1987.

Mark Coleman, Security Analyst, presented a written report on the activities and performance of External International Fixed Income Managers for the quarter ended December 31, 1987. If the Board has any questions with respect to this report they may contact staff or raise issues at the next regularly scheduled Board meeting. No action was taken; information item only.

5. CHIEF INVESTMENT OFFICER'S REPORT:

a) Proxy Vote

HERCULES INC. - 6300 SHARES Shareholder Proposal:	For	Against
Requiring the restoration of limited pre-emptive rights to common shareholders.	5	0
Travelers Corp. - 15,500 shares Shareholder Proposal:		
Prohibiting the Company from making any charitable contributions "except for the purposes in direct furtherance of the business interests of the corporation."	0	5
Bank of Boston - 11,700 shares Shareholder proposals:		
1. Requiring the company to publish a detailed statement of all political contributions annually in major city newspapers	1	4
2. Reqiring adoption of cumulative voting for directors.	5	0
3. Requiring that the directors be elected providing opportunities for opposition director candidates.	1	4

b) INVESTMENT STAFF MEETING WITH FIRMS DURING FEBRUARY 1988.

DeWitt Bowman, Chief Investment Officer presented a list of business contacts made during the month of February 1988.

c) US COMPANIES CURRENTLY DOING BUSINESS IN SOUTH AFRICA.
d) INTERNATIONAL COMPANIES CURRENTLY DOING BUSINESS IN SOUTH AFRICA.

DeWitt Bowman, Chief Investment Officer, presented a list of US and International Companies doing business in South Africa.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Terry T. Elisaia $65.00

1. b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Stephen Flahavan $45.00

2. HEARING OFFICER DECISIONS:

a) Paul Bellazain
MUNI - 9163 Transit Operator
ORDINARY DISABILITY DENIED

b) James E. Herron
MUNI - 9163 - Transit Operator
ORDINARY DISABILITY
Effective Date: January 9, 1988 GRANTED

c) Vernell Perry
PUBLIC LIBRARY - 2708 Custodian
ORDINARY DISABILITY
Effective Date: October 1, 1987 GRANTED

d) Audrey Shewl
SF SHERIFF'S DEPT. - 8306 Sr. Deputy Sheriff
INDUSTRIAL DISABILITY
PERS GRANTED

ACTION: It was moved by Denning, seconded by Walker, to adopt the Supplemental Calendar.

GENERAL MANAGER'S REPORT

The General Manager presented a proposed early retirement Charter Amendment. The Board reviewed and discussed the proposal.

There being no further business the Board adjourned at 7:00 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

SF
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#3
3/29/88

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, MARCH 29, 1988 - 1:30 PM

PRESENT:	Paul Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 8, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

The following items were presented under the Consent Calendar:

CONSENT CALENDAR

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 18-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Thomas Arnold $250,000.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Anthony R. Fernandez $2,424.93

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jerry O. Lyons $1,000.00

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RETURN:
Laura A. Baker $5,000.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jeannene Meyers $1,800.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Louis J. Peirano $15,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Albert H. Richard $7,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Steven Wolff $8,000

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ana S. Stathopoulos

5. a) REQUEST FOR TWO STAFF MEMBERS TO ATTEND THE FINANCIAL ANALYSTS FEDERATION ANNUAL CONFERENCE "GLOBAL COMPETITION IN THE NEXT DECADE", May 8-12, 1988, IN SAN FRANCISCO

   b) REQUEST FOR STAFF AND BOARD MEMBERS TO ATTEND THE INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS CONFERENCE, AUGUST 15-17, 1988, IN ORLANDO, FLORIDA.

6. HEARING OFFICER DECISIONS:

   a. Pauline S. Boffi
   POLICE DEPT. - 8214 Prkg. Control Officer
   ORDINARY DISABILITY
   Effective Date: January 1, 1988 GRANTED

   b. Glen M. Hardin
   POLICE DEPT. - Q2 Police Officer
   INDUSTRIAL DISABILITY/STIP
   Effective Date: July 16, 1986 GRANTED

   c. Jack Kermoian
   FIRE DEPT. - H-30 Captain
   INDUSTRIAL DISABILITY/STIP
   Effective Date: September 30, 1987 GRANTED

ACTION: It was moved by Weisberg, seconded by Gibson, to adopt the Consent Calendar; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Steven Bolander $30,000.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Arthur Fobbs $1,431.85

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Frank T. Koch $3,549.45

ACTION: It was moved by Gibson, seconded by Ashe, to approve item 1a,b and c of the Supplemental Calendar; motion passed, 4-0.

2. a) REQUEST FOR PENSION REALTY ADVISORS COMPENSATION:

ACTION: It was moved by Gibson, seconded by Ashe, to accept item 2a of the Supplemental Calendar and approve staff's recommendation for compensation to Pension Realty Advisors; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
   Norma Watson $5,000

   ACTION: It was moved by Weisberg, seconded by Gibson, to approve staff's recommendation for the settlement of Disputed Claim for Norma Watson; motion passed, 4-0.

   Note: Commissioner Sam Walker arrived at this time.

2. REVIEW OF PROPOSED CHARTER AMENDMENTS - JUNE 1988 ELECTION
   (carried over from the Board Meeting of March 8, 1988).

   Kieran Murphy, Staff actuary, and Clare M. MUrphy, General Manager, presented a written and oral report on the proposed charter amendments for June 1988 election. The Board reviewed and discussed the matter with the staff and engaged in a question and answer session.

   The Board took no action on the proposed Charter Amendments.

Note: Commissioner Paul Denning arrived at this time.

3 REVIEW OF PROPOSED ASSEMBLY BILLS # 2874 (ELDER) and 3355, 3356 (ROOS).
(carried over for action from the Board Meeting of March 8, 1988)

Clare M. Murphy, General Manager, and DeWitt Bowman, Chief Investment Officer, presented written and oral report on the proposed assembly bills # 2874 (Elder) and 3355, 3356 (Roos) and distributed copies of a letter received from Willie Brown. The implication of these bills on public pension plans was discussed.

ACTION: It was moved by Weisberg, seconded by Denning, to oppose these bills, motion passed, 6-0.

4. REPORT AND REQUEST FOR APPROVAL FOR WORKERS' COMPENSATION RFP TO REVIEW MEDICAL BILLS.

Mike Lewis, Division Manager, Workers' Compensation, and Clare M. Murphy, General Manager, presented a written and oral report on the Workers' Compensation RFP to review medical bills. The Board discussed and reviewed the matter and engaged in a question and answer session.

ACTION: It was proposed by Weisberg, seconded by Gibson, to approve the staff's recommendation on sending out an RFP to review medical bills for the Workers' Compensation Division; motion passed, 4-1 (Ashe).

5. REQUEST FOR APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR FISCAL YEAR 1987-1988.

Rudy Hernandez, Deputy General Manager, Mike Lewis, Division Manager, Workers' Compensation, and Clare M. Murphy, General Manager, presented a written and oral report on the supplemental appropriation to implement review of medical bills for the remainder of fiscal year 1987-1988. The Board discussed the matter with the staff.

ACTION: It was moved by Weisberg, seconded by Gibson, to approve staff's request for supplemental appropriation; motion passed, 3-2 (Walker, Ashe).

INVESTMENT CALENDAR

1. REAL ESTATE PERFORMANCE REVIEW BY PENSION REALTY ADVISORS.

Susan Barlow of Pension Realty Advisors made a presentation on real estate performance. The Board reviewed the performance and engaged in a question and answer session with MS. Barlow and Investment Division staff. No action was taken on this item; information item only.

2. SELECTION OF REAL ESTATE CORE ADVISOR.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the selection of a Real Estate Core Advisor for the Retirement System Trust Fund. The Board reviewed and discussed the selection with Mr. Bowman and staff

ACTION: It was moved by Ashe, seconded by Denning, to employ Lehndorff and Babson to fill the position of Core Equity Real Estate Advisor for the Retirement System; motion passed, 6-0.

3. EXTERNAL BOND MANAGER DISCUSSION.

DeWitt Bowman presented a written and oral report to the Board on the potential search for an external bond manager with specific styles. The two styles which are being sought are a high yield style and a extended maturity style. The Board reviewed and discussed the proposed search with Mr. Bowman and staff. Staff will supply Board members with educational information on the different bond manager styles.

ACTION: It was moved by Denning, seconded by Gibson, to authorize staff to proceed with the specific style Bond Manager search and bring to the Board a progress report at the April 19, 1988 Board meeting; motion passed, 6-0.

4. CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy Votes

Please see the attached list and result of these votes.

GENERAL MANAGER'S REPORT

The General Manager reported that:

a. The negotiations on the Budget were still underway and the discussions were being held with Sam Yockey of the Mayor's office. No definite decisions have been made other than a 20% reduction in the Workers' Compensation budget.

b. Charter amendments were also under discussion with the Mayor's Office as to how to help the fiscal crisis and what is the role of the Retirement System. The three proposals for the June ballot - a wage freeze, a work week reduction and an early retirement option were discussed by the Board.

There being no further business, the Board adjourned at 5:50 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M.Murphy
General Manager

Note: A transcript was made of this meeting by court reporter: Richard Adams.

The Board voted on the following proxy issues:

	For	Against
J.P. Morgan & Company - 25,200 Shares Shareholder Proposal:		
To restore limited pre-emptive rights to shareholders	4	1
To adjust procedures to affirm political non-partisanship.	0	5
To restrict capital flight from third world countries, the company to report loan totals by country, to adopt policies to assure that its liabilities do not represent capital flight, and to develop policies to identify and prevent receiving capital flight funds.	0	5
To adopt a policy prohibiting further lending to the Government of Chile or any state owned or controlled firms	0	5
CITICORP - 35,600 Shares Shareholder Proposal:		
To affirm political non-partisanship.	0	5
To provide for cumulative voting for directors.	5	0
To take immediate steps to sever all remaining economic ties to South Africa including correspondent banking relationships and credits for trade.	1	4
To restrict capital flight from third world countries.	0	5
Requiring th Company to provide its consolidated EEO-1 report to shareholders, provide information on the numbers of women and racial groups in each of the officials/managers and professional job categories, and to formulate an affirmative action program.	2	3

Southern California
Edison Co. - 28,900 shares
Shareholder Proposal:

To form a new company structure with the primary unit being a holding company with two major subsidiaries.	5	0

GTE - 204,250 shares
Shareholder Proposal:

Requiring the company to grant limited pre-emptive rights to shareholders.	5	0
To publish an annual report on the attendance of each member of the Board at regular, special and committee meetings.	0	5
Requiring the company to describe plans for the conversion of plants currently performing predominently military contact work, report the number and skills of employees in military work, and summarize policy on converting weapons manufacture to civilian commercial needs.	0	5

Bell Atlantic - 53,400 shares
Shareholder Proposal:

Requiring the company to affirm its political non-partisanship and to prohibit distributing contribution cards of a single party, collecting political contributions within the company, requesting employees to deliver blank payee political contribution checks and collecting contributions through supervisors.	0	5

Sherwin Williams Co. - 10,400 shares Shareholder Proposal:		
To eliminate the present provision which allows for cumulative voting for directors.	0	5
To increase the percentage of shareholder votes necessary to call a special meeting of the Board from 25% to 50%.	0	5
Chase Manhattan Corp. - 10,900 Shares Shareholder Proposal:		
Requiring the company to raise the individual payout ratio yearly to keep the yield at least 4.5 - 5%	0	5
Requiring directors to be elected annually rather than on the staggered basis recently adopted.	5	0
Requiring that the third world country debt be reported by country showing the extent of current write-off, the loss incurred by the Bank, and the net savings in principal and interest by the country.	1	4
Requiring cumulative voting to be adopted for future election of directors.	5	0
AT & T Corp. - 142,600 Shares Shareholder Proposal:		
To adopt cumulative voting for directors	5	0
Requiring the company to furnish a report to shareholders showing the current value of space weapons contracts, how much of the company's own money is being spent on space weapon development, the extent of participation in materials processing in space, and what policies have been adopted concerning the development of space as a battlefield.	0	5

AT & T CORP. - 142,600 Shares (Contd.)

Requiring the company to use its best efforts "to convince Olivetti to leave South Africa.	4	1
Requiring the company to issue a report of non-discriminatory hiring, performance evaluation policies, and promotion policies.	1	4
Requiring the company to phase out those aspects of its affirmative action programs which are directed toward increasing the proportions of employees from any particular racial or ethnic group.	1	4
Ameritect - 19,000 shares Shareholder Proposal:		
Requiring that all directors be elected annually at the date of the annual meeting.	5	0
B. F. Goodrich - 6,400 Shares Shareholder Proposal:		
Requiring the company to set up a number of conditions applicable to grant employee stock options.	0	5
Weyerhauser Co. - 55,700 Shares Shareholder Proposal:		
Requiring approval to affect "certain business transcations" to a two-thirds majority.	5	0

G.E. Corp. - 311,100 Shares
Shareholder Proposal:

Requiring that outside directors not serve on the G.E. Board once they retire from their own corporation or organization.	0	5
Requiring the Company to refrain from support of any organizations that counsel or perform abortion.	0	5
Requiring the company to implement a policy of forbidding the conduct of company business at private clubs with discriminating membership practices.	3	2
Requiring the Company to provide proprietary information about the current status of the quality assurance issues of its Boiling Water Reactors and the status of all lawsuits concerned with G.E. nuclear reactors.	0	5
Requiring the Company not to enter into new contracts pertaining to the SDIO or militarization of space, nor renew any such existing contracts; and to terminate further development of space communication systems.	0	5

Mellon Bank - 14,500 shares
Shareholder Proposal:

The Company recommends that directors should have staggered terms, a 75% shareholder voting requirement for the removal of directors from office, and a 75% shareholder voting requirement to amend or repeal any of the by laws concerning nominating procedures and filling Board vacancies.	0	5

Panhandle Eastern Corpn. - 9,500 Shares Shareholder Proposal		
Requiring that the "poison pill" adopted by the company be placed before the shareholders for a vote.	4	1
Union Pacific Corp. - 15,300 Shareholder Proposal:		
Requiring the Company to provide information about the description of current obligations to transport nuclear materials, the number of employees affected, a description of financing agreements, and an assessment as to whether the efforts to limit the transportation of nuclear materials should be made and how.	0	5
Requesting that the company publish a detailed list of contributions made to political campaigns, political party, Government office holder, and contributions made in attempts to influence legislature.	0	5
Hershey Foods - 45,500 Shares Shareholder Proposal:		
Requiring that cumulative voting be adopted for directors.	5	0
Knight-Ridder, Inc. - 8,000 Shares Shareholder Proposal:		
Requiring that the articles of incorporation be changed to read that only a majority of the shares entitled to vote on an amendment to the corporate charter be required to pass the amendment.	5	0
Requiring that cumulative voting be adopted for directors	5	0

Manufacturers Hanover - 5,400 Shares Shareholder Proposal:		
Requiring that future outside director shall not serve more than six years.	1	4
Requiring that all shareholder meeings proxies, ballots, and voting tabulations shall be secret.	3	2
Requiring that the Board develop a policy to be used in negotiations with third world borrowers to encourage sound natural resource management and long-term economic development.	1	4
Time, Inc. - 57,500 shares Shareholder Proposal:		
To reinstate the election of directors annually, instead of the stagger system recently adopted.	5	0
Westinghouse Electric Corpn. - 19,700 Shares Shareholder Proposal:		
Requiring that directors be elected annually and not by class.	5	0
Requiring that the Board establish a policy of no new investment with and/or within South Africa and terminate all business relationships and investments with and/or within South Africa.	1	4
Requiring that the Board make available within six months of the 1988 annual meeting a history of the company's involvement at the Hanford Reservation in Washington.	0	5

Whirlpool Corporation - 7,600 Shares
Shareholder Proposal:

Requiring the Board not to make new investments in or to develop business relationships and/or within South Africa and to develop a plan to terminate business relationships with and/or within South Africa.	3	2

Pacific Telesis - 122, 500 Shares
Shareholder Proposal

Requiring that in the case of officers or directors in breach of fiduciary duty, the potential monetary liability of officers or directors shall be borne by the corporation or its shareholders, except under certain circumstances.	5	0
Requiring that the attendance record of directors who attend regular, committee and special meetings be published	0	5

Amoco Corp. - 60, 100
Shareholder Proposal:

Requiring that the names and addresses of the shareholders of the Company be furnished to any person having individually or as a group at least $1,000,000 in market value of the common stock.	0	5

Chemical New York Corporation - 17,600 Shares
Shareholder PRoposal:

Requiring that the Certificate of Incorporation be amended to provide for a classified Board of Directors, that vacancies on the Board may be filled by a majority of the existing Board even if the newly appointed directors exceed one-third of the entire Board, that a majority greater than 66 2/3% of the voting power of the Corporation stock be required to remove directors, and that a majority greater than 66 2/3% of the voting power of the Corporation's stock be required to alter the amendments relating to the classified board, vacancies, and removal of directos.	0	5

Requiring that the Certificate of Incorporation be amended to eliminate action by written consent, thus requiring any action by stockholders to be taken at an annual meeting or special meeting.	0	5
Requiring that the Corporation avoid any practice that could be construed as implying political partisanship.	0	5
Requiring that cumulative voting for directors be adopted.	5	0
Requiring that further lending to the Government of Chile and/or state-controlled companies be prohibited until Chile is restored tp a democratic government.	0	5

Pacific Gas and Electric Co. - 356,300 shares
Shareholder Proposal

Requiring approval of amendments that would eliminate the personal liability of directors (but not officers) for breach of duties under certain circumstances and; and autahorize the company to implement the full authority granted to California Corporations for indemnification of Directors, officers and other agents.	5	0
Requiring that in order to be eligible to serve as a member of the Board of Directors of PG&E, the Director must own a minimum of 2,000 shares of PG&E stock: common, preferred or a combination of both for the entire length of his or her term as a director.	2	3

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
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TUESDAY, APRIL 19, 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 29, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were considered under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 19-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Jeffrey M. Clark $498.30
b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Raymond Kilroy $5,166.67
c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Eduardo C. Macarilay $377.49
d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Lucio A. Perez $1,017.85
e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Allen Siegel $3,867.54
f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Tom Yuen $87.05

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Katherine Anderson $11,800.00
b) SETTLEMENT OF DISPUTED COPIES - COMPROMISE AND RETURN
Steven Knotek $16,500.00
c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alan L. Zimmerman $2,000.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Marilyn Butterfield

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Henry Garfield

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
LeRoy Henry, Jr.

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Oscar T. Liborio

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Kenneth Lui

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Wilbert Taylor

5. a) REQUEST FOR BIRTHDAY CORRECTION:
Helen Anderson

6. a) REQUEST FOR TWO STAFF AND ONE BOARD MEMBER TO ATTEND THE INSTITUTION FOR FIDUCIARY EDUCATION MARKET MAKERS PROGRAM, JUNE 13-15, 1988, IN CARMEL VALLEY RANCH RESORT.

b) REQUEST FOR ONE DEPUTY CITY ATTORNEY TO ATTEND THE CALAPRS ATTORNEY ROUNDTABLE MEETING, APRIL 29, 1988, IN IRVINE, CALIFORNIA.

c) REQUEST FOR THREE STAFF TO ATTEND CALLAN INVESTMENT INSTITUTE 1988 SPRING REGIONAL CONFERENCE, JUNE 16, 1988, IN SAN FRANCISCO.

d) REQUEST FOR TWO STAFF TO ATTEND THE 1988 BENEFIT COMMUNICATION INSTITUTE SPONSORED BY INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS, AUGUST 29-31, IN SAN FRANCISCO.

e) REQUEST FOR BOARD MEMBERS TO ATTEND THE 1988 INVESTMENT INSTITUTE SPONSORED BY INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS, JUNE 27 - 29, 1988, IN LAKE TAHOE, NEVADA.

ACTION:It was moved by Ashe, seconded by Gibson, to adopt the Consent Calendar after amending item 2c. to include Board members to attend Callan Investment Institute 1988 Regional Conference, June 16, 1988, in San Francisco; motion passed, 4-0.

Note: Commissioner Sam Walker arrived at this time.

REGULAR CALENDAR

ITEM

1. REVIEW OF REQUEST FROM CONTROLLER FOR DESTRUCTION OF WARRANTS.

Alyce Wong, Chief Accountant, presented a written and oral report on the report from the Controller for destruction of warants. The Board reviewed and discussed the matter with the staff.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the Controller's request to destroy the warrants over five years old and of no use to the Retirement System; motion passed 5-0.

INVESTMENT CALENDAR

ITEM

1 DISCUSSION OF FIXED INCOME MANAGER REVIEW.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the Fixed Income Manager search. The Board engaged in a question and answer session and directed the staff to go ahead and send the proposed questionnaire to the managers according to the list prepared by the staff. No action was taken; information item only.

2. DISCUSSION OF EQUITY MANAGER REVIEW.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on equity manager review. The Board reviewed and discussed the equity review prepared by Callan Associates with the staff. No action was taken, information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowmán, Chief Investment Officer, presented:

a. A list of US Companies currently doing business in South Africa.

b. A list of International Companies currently doing business in South Africa.

c. Proxy votes.
Please see the attached list.

SUPPLEMENTAL CALENDAR

Section 54954.2bl of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Ashe, to consider the Supplemental Calendar; motion passed, 5-0.

ITEM

1. VOLUNTARY SERVICE RETIREMENT LIST - 20-87.

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Sylvester Brown $2,510.51

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Christine Mikulice $362.33

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Shirley A. Moore $3,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Ernest K. Tom $1,861.27

3. HEARING OFFICER'S DECISION:

a) Angela Radosevich (Randolph)
POLICE - Q2 Police Officer
CONTINUATION DENIED

4. REQUEST FOR APPROVAL OF APPLICATION FOR DISMISSAL OF DISABILITY RETIREMENT - JOSE R. ROBLES.

ACTION: It was moved by Gibson, seconded by Weisberg, to adopt the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Hartford Variable Annuity Company announced a reduction in their general savings account rate of return from 9% to 8.6%

2. Clare M. Murphy and Rudy Hernandez met with Sam Yockey of the Mayor's staff and resolved most of the Retirement System's budget issues. There will be a 20% reduction in the Workers' Compensation Budget. However the savings will be derived from the proposed bill review service and the addition of two new adjusters to aid in cost containment. There were only minimal reductions to the pension budget. The additional half position of a city attorney was cut and the Senior level secretary for administration was not approved. There are several unresolved issues which are still under review.

There being no further business
the Board adjourned at 3:00 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court /reporter: Susan Miller.

The Board voted on the following proxy issues:

	For	Against
American Electric Power - 25,800 Shares Shareholder Proposal: The Company recommends fair price amendment to the Charter which llll establish that any tender offers for the company's stock must be made at the same price for all shares.	5	0
V. F. Corporation - 9,600 Shares Shareholder Proposals: The New York City Retirement System, proposes that the Company establish a Review Committee to review and report to shareholders by May 1989 the conditions regarding equal opportunity employment in the Company's two Northern Irish plants.	4	1
Allied Signal - 60,466 Shares Shareholder Proposal: The State of Wisconsin Investment Board proposes that the company rescind the "poison pill" shareholders rights plan adopted May 30, 1986, without shareholder vote.	5	0
Merril Lynch & Co., Inc. - 13,100 shares Shareholder Proposals: To establish cumulative voting for the Board of Directors.	5	0
TRW Corporation - 7,000 Shares Shareholder Proposals: Requiring that the Company should implement MacBride Principles	3	1
Trans America Corporation - 12,100 Shares Shareholder Proposal: Requiring that beginning in 1989, each director before qualifying as a director, shall own directly or beneficially, at least 2,000 shares of common and or preferred stock of TransAmerica.	0	5

American Express - 296,300 Shares
Shareholder Proposal

Requiring that no corporate funds of this corporation shall be given to any charitable, eudcational or other similar organization, except for purposes in direct furtherance of the business interests of this corporation and subject to the further provision that aggregate amount of such contributions shall be reported to the shareholders not later than the date of the annual meeting.	0	5

Unocal Corporation - 150,993 Shares
Shareholder Proposals:

Requiring that the cumulative voting be adopted in connection with the election of company directors.	5	0
To include the name and address of each submitting shareholder with each shareholder resolution under consideration.	5	0
Requiring that any person or group holding at least $1 million in market value of Unocal stock be given equal access to proxy statements to comment on any issue being presented to shareholders by the Board of Directors, including the directors themselves.	0	5

IBM Corporation - 138,300 Shares
Shareholder Proposals:

Requiring that the Certificate of Incorporation be amended to eliminate the personal liability of directors.	5	0
Requiring that IBM immediately stop all sales and services to South Africa, including all direct and indirect shipments of products, until apartheid ends.	1	4
Requiring that IBM provide completed information on all animals used in its research and testing whether conducted by IBM directly or on its behalf by independent laboratories.	0	5

Requiring that IBM eliminate all payments for the financing or performance of abortions.	0	5
Requiring that IBM disclose all contributions to political parties or campaigns.	0	5

Consolidated Freightways, Inc. - 9,300 Shares
Shareholder Proposals:

The California Public Employees' Retirement System, owner of 1.1 million of shares has submitted the following: Resolve, that the Board of Directors submit to shareholder vote, the "Shareholder Rights Plan", declared as a dividend on October 27, 1986. On October 27, 1986, the comapny immediately and without shareholder participation approved and adopted a "Shareholder Rights Plan". In our opinion, the Rights Plan, also known as a 'poiaon pill', may not only deter non-negotiated takeovers of the company, but may also serve to entrench current management. We believe both of these results are detrimental to shareholders. The company was well aware when it adopted this Rights Plan that some people have advanced arguments that securities of the sort issued under the Rights Plan might deter legitimate acquisition proposals. But, the Rights Plan is not intended to prevent fair and equitable tender offers or other acquisition proposals.	5	0

MCA Corporation - 10,200 Shares
Shareholder Proposals:

Requiring that Directors be elected annually rather than on the present classified basis.	5	0
Requiring that the Company should rescind the "poison pill" provision unilaterally adopted in 1987.	5	0
That the Corporation will take immediate steps to disinvest from South Africa by terminating all economic relationships with South Africa including direct investment; sales and purchase of all products or parts; licensing management or franchise agreements and servicing of products.	1	4

Avon - 22,400 Shares Shareholder Proposal:		
Requiring the Company to report to shareholders on progress made toward eliminating animal testing for cosmetics.	0	5
Great Northern Corpn. - 8,200 shares Shareholder Proposal:		
Calpers seeking recision of the Company's share Purchase Rights Plan as it feels that the current 'poison pill' will not deter takeovers and may also entrench current management.	4	1
Motorola, Inc. - 55,200 shares Shareholder Proposal:		
Recommending Motorola to develop a standard of social, economic, and ethical criteria for management to apply to prospective military related contracts.	0	5
Honeywell - 7,000 Shares Shareholder Proposals:		
The New York City Employees' Retirement System proposes all proxies, ballots, and voting tabulations that identify shareholder be kept confidential, except when disclosure is mandated by law.	5	0
Requiring the Company to devise a plan to transfer resources from military contracts to more stable and diversified operations.	0	5
The Boeing Company - 39,800 Share Shareholder Proposals:		
Requiring the Company to develop alternative plans for its military production facilities.	0	5
The New York City Employees' Retirement System would like the Company to prepare a report on Boeing's employment activity in Northern Ireland. The report to include an update on Boeing's non-discriminatory policy as applies to Short Brothers Aircraft, a Boeing subcontractor in Northern Ireland.	1	4

IC Industries - 150,000 Shares Shareholder Proposal: Requiring the Company to publish a list of contributions made to political campaigns, political party, referendum or citizen initiative, or attempt to influence legislation.	0	5
Martin-Marietta - 8,900 Shares Shareholder Proposal: Recommending the reinstatement of board elections annually instead of the current staggered system.	5	0
Salomon, Inc. - 22,400 Shares Requiring that no Company funds be given to any charitable, educational, or other similar organization except for purposes in direct furtherance of the Company's business interests.	0	5
Sears, Roebuck and Co. - 49,500 Shares Shareholder Proposal: The Company proposes to have a classified board divided into three classes serving staggered two-year terms. A 75% vote of all shares held by shareholder shall be required to: remove board director for cause or to fix the size of the board of directors.	0	5
Ryder System - 10,800 Shares Shareholder Proposal: California Public Employees' Retirement System requests the Company institute a confidential voting policy for proxies which would prohibit the Company from having access to the results of proxy voting until after votes are tabulated.	5	0
Exxon Corp. - 325,600 Shares Shareholder Proposals: Requiring that the Company terminate its economic relationships with South Africa.	1	4
Requiring that Exxon terminate its business relationships with South Africa.	1	4

Requiring that the Company affirm its political non-partnership and avoid such practices as handling the contribution cards of a single party to an employee by a supervisor.	1	4
Requiring that each director must own at least 2,000 shares and must hold at least 2,000 at least one year after his or her term expires.	0	5
Requiring that the Company restor limited pre-emptive rights to the shareholders.	5	0
CPC International - 63,500 Shares Shareholder Proposal:		
Requiring that the Company's directors be elected annually, not under the stagger system currently in use.	5	0
Ball Corporation - 7,400 Shares Shareholder Proposal:		
Requiring that the Company adopt the MacBride Principles.	3	2
Phillips Petroleum Co. - 30,000 Shares Shareholder Proposal:		
Company proposing to amend the Certification of Incorporation to require that stockholder action can be taken only at an annual meeting or at a special meeting called by the Chairman, President or Board of Directors; also to add supermajority provisions to change the Byelaws.	0	5
US West, Inc. - 26,200 Shares Shareholder Proposals:		
The Board of Directors recommends several amendments to the Articles of Incorporation to strength certain anti-takeover provisions. These include supermajority provisions and fixing a maximum number of Board members at seventeen.	0	5
Requiring the Company to publish the attendance records of Board members at all Board of Director meetings.	1	4

Bankers Trust New York Co.- 83,900 Shares Shareholder Proposals:		
Requiring that the outside directors shall not serve for more than six years.	0	5
Requiring that the bank adopt cumulative voting for the election of directors.	5	0
Requiring that the bank report annually to shareholders the status of debt rescheduling pf third world countries, and on steps taken to ensure the bank is not participating in capital flight from these countries.	0	5
Requiring that the Bankers Trust prohibit further lending to Vhile to protest humna rights violations and to pressure Chile to elect a democratic form of government.	1	4
That Bankers Trust develop a policy encouraging specific natural resource conservation measures to use in negotiations with third world countries. This could include reduced interest rates, stretch-out of payments, or forgiveness of old debts.	1	4
Detroit Edison Co. - 20,800 Shares Shareholder Proposals:		
Requiring that each member of the Board of Directors own at least 2,000 shares of the Company's stock to ensure they have a financial stake in the company as well as greater sensitivity to shareholders.	0	5
Requiring that the Company develop alternatives to on-site storage of high-level nuclear waste, develop on-site storage for low-level waste, research disposal technologies and provide a progress report to shareholders annually.	1	4
Marriott Corp. - 20,200 Shares Shareholder Proposal:		
Requiring that all directors be elected annually instead of using the stagger system as was recently adopted.	5	0

Pitney Bowes, Inc. - 12,400 Shares Shareholder Proposal:		
Requiring that the Company redeem its Preference Share Purchase Rights Plan ('Poison Pill') because it deters possible takeovers and reduces the value of the stock.	5	0
General Dynamics Corp. - 6,000 Shares Shareholder Proposal:		
Requiring that at the 1988 annual meeting management to report on any plans to convert production away from weapons, the number and job skills of employees dependent on military contracts, and the corporate policy on weapons manufacturee.	0	5
Nynex Corp. - 26,300 Shares Shareholder Proposals:		
Requiring that management eiminate the staggered system of electing its Board of directors and reinstate the election of directors annually.	4	1
Requiring that the shareholders be provided a record of attendance at all Board meetings of individual directors.	1	4

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
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TUESDAY, APRIL 26, 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 19, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Marian V. Frazier $10,228.78

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
William Krutt $ 6,731.34

ACTION: It was moved by Weisberg, seconded by Gibson, to adopt the Consent Calendar; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. STAFF REPORT ON THE PERFORMANCE OF THE INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDED MARCH 31, 1988.

Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report to the Board on the performance of the Internal and External Equity Managers for the period ended March 31, 1988. The Board reviewed the report and engaged in a question and answer session with the staff. No action was taken; information item only.

2. STAFF REPORT ON THE PERFORMANCE OF THE INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED MARCH 31, 1988.

Herb Meiberger, Security Analyst, presented a written and oral report on the performance of the Internal and External Fixed Income Managers for the period ended March 31, 1988. The Board reviewed and engagaed in a question and answer session with the staff. No action was taken; information item only.

3. STAFF REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1988.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the total portfolio performance for the period ending March 31, 1988. The Board reviewed and discussed the matter with the staff. No action was taken; information item only.

4. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JULY 31, 1988.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on staff recommendation on allocation of funds for the period ending July 31, 1988. The Board reviewed and discussed the report with the staff.

ACTION: It was moved by Gibson, seconded by Weisberg, to approve the staff's recommendation on allocation of funds for the period ending October 31, 1988; motion passed, 5-0.

5. CHIEF INVESTMENT OFFICER'S REPORT.

DeWitt Bowman, Chief Investment Officer:

a. Presented a list of firms who visited the Investment staff during the period of March 1988.

b. A discussion of LBO's as a possible investment strategy for the pension fund. The Board discussed the potential for this option.

c. Presented a list of proposals by shareholders/management of various firms to be voted by Board members. See attached list of proxy votes.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - Structured Settlement
   Brian Beaton $133,230.00

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Nelson E. Aceto

3. HEARING OFFICERS DECISIONS:

   a) Virgil L. Davis
      MUNI - 2708 Custodian
      ORDINARY DISABILITY DENIED

   b) Johnnie Flannigan
      POLICE - Q2 Police Officer
      INDUSTRIAL DISABILITY DENIED

c) Lloyd A. Hill
POLICE - Q50 Seargant
INDUSTRIAL DISABILITY/STIP DENIED
PERS

d) William Manion
SF SHERIFF'S DEPT. - 8306 Sr. Deputy Sheriff
INDUSTRIAL DISABILITY GRANTED

e) Joaquin M. Menendez
War Memorial - 7334 Stationary Engineer
ORDINARY DISABILITY
Effective Date: February 20, 1988 GRANTED

4. REQUEST FOR STAFF TO ATTEND THE FINANCIAL ANALYSTS SEMINAR 1988 SESSION, AUGUST 7-12, 1988, IN ROCKFORD, ILLINOIS.

5. APPROVAL FOR DISMISSAL OF APPLICATION FOR DETERMINATION - Earl E. Wismer

ACTION: Mike Lewis, Manager, Workers' Compensation Division, and Brian Narlock, Compensation Supervisor, Workers' Compensation Division, presented a written and oral report to the Board on the settlement of claim for Brian Beaton (item 1). The Board discussed the case with the staff.

ACTION: It was moved by Gibson, seconded by Walker, to approve staff's recommendation for item 1 of the Supplemental Calendar; motion passed, 5-0.

ACTION: It was moved by Gibson, seconded by Walker, to adopt items 2-5 of the Supplemental Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REPORT AND REQUEST FOR APPROVAL FOR A WORKERS' COMPENSATION REQUEST FOR PROPOSAL (RFP) TO REVIEW MEDICAL BILLS.

Mike Lewis, Division Manager, Workers' Compensation, presented a written and oral report to the Board for approval of request for Workers' Compensation proposal (RFP) to review medical bills.

ACTION: It was moved by Walker, seconded by Weisberg, to approve Workers' Compensation request for proposal (RFP) to review medical bills; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported:

1. She presented a revised version of AB 4095, the Fiduciary responsibility bill, which was introduced by Assembly member Elder.
   The Board discussed the implication of this bill with staff.

2. She informed the Board that she would be out of the country from May 2 to May 13, 1988, and that DeWitt Bowman, Chief Investment Officer, would be the Acting General Manager from May 2 to May 6, 1988; and Rudolph Hernandez, Deputy General Manager, would be the Acting General Manager from May 9 to May 13, 1988.

3. The Mayor's budget will be presented the first week in May.

4. The Board discussed a forward calendar and decided that the two Retirement Board meetings in June will be cancelled and one Board meeting will be scheduled for June 21, 1988.

There being no further business
the Board adjourned at 4:15 p.m.

Clare M. Murphy

Respectfully Submitted,
Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
Court Reporter: Richard Adams.

The Board voted on the following proxy issues:

	For	Against
W.R. Grace & Co. - 11,800 Shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would eliminate the classified board by requiring directors to be elected annually.	5	0
Greyhound Corp. - 100,000 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to issue reports on their program in eliminating animal testing of products, what tests are not required by law, and which are painful.	0	5
Placer Dome, Inc. - 29,486 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to issue reports and assume some responsibility for possible consequences of mine tailrings pollution on the Phillipines. The company owns a 39% interest in the subsidiary which has been written off on their books and the Phillipine's government owns 49%.	1	4
Lockheed Corpn. - 8,800 Shares Shareholder Proposal		
Two shareholder proposals are opposed by the company.		
The first would require the company to call on its subcontractor, GEC PLC, to adhere to non-discrimination policies in Northern Ireland and to report to shareholders.	3	2
The second would require the use of a confidential ballot for shareholder votes.	5	0

April 26, 1988

	For	Against
Champion International - 8,200 Shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to terminate shareholder rights issued in a poison pill amendment adopted in 1986.	5	0
Consolidated National Gas. - 8,600 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to adopt cumulative voting.	5	0
Niagra Mohawk - 17,400 shares Shareholder Proposal		
The company is proposing several amendments to its charter under one proposal which would: 1. Set a fair price amendment and establish a 75% supermajority requirement. 2. Establish a classified board with staggered election terms. 3. Eliminate cumulative voting. 4. Establish an 80% supermajority for various takeover proposals.	1	4
Pepsico - 33,600 Shareholder Proposal		
Three shareholder proposals are opposed by the company.		
The first would severely restrict the company's ability to structure stock option plans.	1	4
The second would limit charitable contributions to those only in the "direct furtherance of business interests".	0	5

The third would alter the terms of a prior stock option plan to reflect the decrease in outstanding shares through company repurchases.	1	4
Kraft, Inc. - 32,000 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would establish cumulative voting for directors.	4	1
Times Mirror, Inc.- 56,361 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would eliminate the classified board by requiring annual election for all directors.	4	1
International Paper Co. - 140,500 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require a shareholder vote on a poison pill provision unilaterally adopted by the board.	5	0

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, May 10, 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	Nancy Walker	President, Board of Supervisors
	Rudolph Hernandez	Acting General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 26, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 21-87
2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Miguel Cosio $5,000.00
   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Russell L. Silas $1509.67
   c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Robert R. Thomas $1,012.52
3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   George Casey $14,000.00
   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   RONALD CHISM $1,546.44
   c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Blanca Harvey $6,000.00.
   d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Mildred Jackson $9,000.00
   e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Ronald J. Marren $10,702.75
   f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   ELENA ROJAS $25,000.00
4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   James Lennemanx
   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Miriam Parker

5. a) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE NATIONAL ASSOCIATION OF PUBLIC PENSION ATTORNEYS (N.A..P.P.A.) CONFERENCE ON JUNE 22-24, 1988, IN SAN FRANCISCO.

ACTION: It was moved by Gibson, seconded by Walker to adopt the Consent Calendar; motion passed, 5-0.

INVESTMENT CALENDAR

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDED MARCH 31, 1987.

Barry Dennis, representing Callan Associates, presented a written and oral investment review to the Board. The Board reviewed and discussed the report with the staff and with Mr. Dennis. No action was taken; information item only.

2. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS

The following firms made written and oral presentations to the Board:

Capital Guardian Trust
Hansen Investment Management
McCullough, Andrews & Capiello
First Chicago
Coldwell Banker

The Board engaged in a question and answer session with the firm's representatives. The Board also discussed economic conditions worldwide. No action was taken; information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT

a) Proxy Votes

See attached list of proxy votes.

DeWitt Bowman, Chief Investment Officer:

1) Distributed a list showing names of firms with whom contacts were made by the Investment staff during the month of April 1988.

2) Informed the Board members that on May 12, Ed Lesser and Al Martin from Bankers Trust would be in to see him and that all Board members were invited to attend at 3:30 p.m. in his office.

3) Reminded the Board of the Callan Investment Institute, June 16, 1988. Peter Ashe and Joe Driscoll wish to attend.

4)Discussed the proposed schedule for the Fixed Income search.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Robert Ford $2,069.74

b) SETTLEMENT OF DISPUTED CLAIM - TIRD PARTY SETTLEMENT:
David G. Goff $1,111.73

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Joean Wright $3,957.20

HEARING OFFICERS DECISIONS:

2. a) Thomas Powers
POLICE - Q2 Police Officer
Industrial Disability
Effective Date: December 1, 1987. GRANTED

Jerry A. Ruiz
MUNI - 9163 Transit Operator
Ordinary Disability
Effective Date: July 14, 1987 GRANTED

William J. Thiffault
POLICE - Q2 Police Officer
Industrial Disability
Effective Date: December 17, 1987 GRANTED

ACTION: It was moved by Ashe, seconded by Gibson, to adopt the Supplemental Calendar, motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REPORT ON RETIREMENT BOARD RULE 3.12.
   Pam Levesque, Executive Assistant, addressed the board on this matter. The Board discussed the Rule. No action was taken; information item only.

EXECUTIVE SESSION

The Board went into Executive session to discuss a legal matter pending before the Retirement Board. The Board returned to open session and announced they discussed whether to hear a response from the City Attorney's office in Executive Session at a future meeting. The Deputy City Attorney informed the Board, they would be able to hear the matter in Executive Session. No action was taken; information item only.

GENERAL MANAGER'S REPORT

Rudy Hernandez, Acting General Manager, reported:

He and his staff attended a budget meeting in the Mayor's Office on Monday, May 9, 1988. He discussed the results of that meeting and distributed the Budget information he received during the meeting.

The Board adjourned in memory of Rudy Hernandez's mother, Mercedez Hernandez, who passed away on May 3.

There being no further business,
the Board adjourned at 5.55 p.m.

Respectfully submitted,

Rudolph Hernandez
Acting General Manager

Note: A transcript was made of this meeting
by court reporter: Richard Adams.

	For	Against
AMR Corp.- 75,700 shares Shareholder Proposal		
Three shareholder resolutions are opposed by the company.The first would require the annual meeting to be rotated among major cities.	0	5
The second would require the adoption of cumulative voting of shareholders.	5	0
The third would require the company to rescind or submit to shareholders the poison pill rights issued unilaterally in 1986.	5	0
BankAmerica Corp. - 20,500 shares Shareholder Proposal		
Three shareholder proposals are opposed by the company.The first would require that charitable contributions should be made only in direct furtherence of the business interest of the company.	0	5
The second would require that a director must own and retain at least 5,000 shares of BAC common stock.	0	5
The third would prohibit further lending to the government or any state owned firms in Chile.	0	5

	For	Against
Chrysler Corpn. - 29,625 Shares		
Shareholder Proposal		
A shareholder proposal which is opposed by the company would require cumulative voting by shareholders.	5	0
Federal National Mortgage Assn.- 212,900 shares		
Shareholder Proposal		
The company is submitting a proposal to eliminate cumulative voting.	0	5
General Motors Corp.- 95,600 shares		
Shareholder Proposal		
Nine shareholder resolutions have been submitted which are opposed by the company.		
1. The company would be prohibited from paying greenmail.	5	0
2. The company would be required to restore limited pre-emptive rights to shareholders.	5	0
3. The company would be required to "complete its withdrawal" from South Africa by ceasing to provide materials, products or services to Delta Motors, the company to which GM sold its subsidiary. GM states that such support is necessary to permit Delta to survive and to provide employment in the Port Elizabeth area.	2	3
4. The proposal is the same as number 3 but with the ban extended to licensing agreements.	2	3

		For	Against
5.	The company would be required to ensure that Delta Motor products are not sold to the South African police and military and that Delta will adhere to the Sullivan Principals.	2	3
6.	The company would be required to conduct an in depth review of the company's equal employment opportunities, plant location and plans to eliminate sectarian incidents in Northern Ireland. GM states that it does not discriminate in Northern Ireland, enjoys a harmonious working environment and has no outstanding discrimination complaints.	2	3
7.	The company would be required to report on the extent, scope, and support it is providing to the strategic defense program (Starwars). the company states that defense policy is properly the responsibility of the government.	0	5
8.	The company would be required to report board member attendance at regular, special, and committee meetings.	2	3
9.	Each director would be required to own at least $25,000 of GM stock.	0	5

Kroger Corp.- 38,800 shares
Shareholder Proposal

A shareholder proposal which is opposed by the company would eliminate the classified board by requiring directors to be elected annually. 5 0

Masco Corp. - 22,000 shares
Shareholder Proposal

Two company sponsered proposals would restrict shareholder rights in the company.

	For	Against
The first would establish a classified board with directors serving staggered three year terms.	0	5
The second would prohibit shareholders from taking action by written consent without a meeting and to call special meetings. Shareholder action could only be taken at regular scheduled annual or special meetings.	0	5
Middle South Utilities - 28,500 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the sale of all assets and the distribution of the proceeds to the shareholders. This is in response to the non-payment of dividends for the past two years but the company states it needs more flexibility to consider other options.	0	5
Occidental Petroleum - 52,900 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to adopt a mandatory retirement age for directors of 72. Eight of the sixteen directors including the chairman, Dr. Amand Hammer, would be affected by this proposal.	0	5
Another proposal which is opposed by the company would require each director to continuously own at least $25,000 of Occidental common stock.	0	5
Ogden Corp.- 60,000 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would severely limit stock option programs that could be offered to employees.	0	5

	For	Against
Portland General Corp. - 60,000 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require each director to own at least 2,000 shares of Portland General common or preferred stock.	0	5
Priamerica - 139,300 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would severely limit stock option programs that would be offered to employees.	0	5
Southern Co. - 184,100 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require the company to report annually on all employees at the level of vice president or above or who works as a consultant, lobbyist, legal council, investment banker, or director who have served in any governmental capacity within the past 5 years.	0	5
Texas Utilities - 18,300 shares Shareholder Proposal		
A shareholder proposal which is opposed by the company would require a comprehensive analysis and report to be prepared on the Comanche Peak nuclear power plant. The company states that such a review is being conducted and that the company is 98% in compliance with all requirements to date.	1	4
Xerox Corp. - 12,900 shares Shareholder Proposal		
A shareholder resolution which is opposed by the company would require the company "to complete its withdrawal from South Africa" by ceasing to provide products, services, or technology. The company sold their South african subsidiary in 1987 but continues to have some equipment sold through a distributor.	1	4

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, May 31, 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Paul F. Denning	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, May 10, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 22-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mona Lisa Barron $9,135.16

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mary Ann Cafferata $10,000.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Calvin E. Davis $3,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Tom P. Lee $91.60

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLANS:
Carmelita Cenidoza

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Charles A. Frye

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Rose Laboone

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
David Low

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Michael J. Sheehan

4. a) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE INSTITUTIONAL INVESTOR FIFTH ANNUAL PUBLIC FUNDS SEMINAR, JULY 17-19, 1988, IN ASHEVILLE, NORTH CAROLINA.

b) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS 34th ANNUAL EMPLOYEE BENEFITS CONFERENCE, NOVEMBER 11-16, 1988, IN NEW ORLEANS, LOUISIANA.

5. HEARING OFFICER DECISIONS:

a. Marcie D. Bradley
SFGH - 2390 Central Processing/Dist.Technician
ORDINARY DISABILITY
Effective Date: May 10, 1988 GRANTED

b. Robert J. Brady
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY DENIED

c. William E. Guedet
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: January 1, 1988 GRANTED

d. RObert A. Quinn
AIRPORT - 9213 Sr. Airfield Safety Officer
ORDINARY DISABILITY
Effective Date: April 1, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg, to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISION:

Robert S. Barrington
POLICE - Q2 Policeman
INDUSTRIAL DISABILITY
Effective Date: October 28, 1987 GRANTED

Dan Maguire, Deputy City Attorney, addressed the Board on this matter. The Board reviewed the case and discussed it with Mr. Maguire.

ACTION: It was moved by Weisberg, seconded by Denning to authorize the City Attorney to request a rehearing based on the availability of light duty; motion passed, 5-1 (Driscoll).

2 REVIEW OF CONSULTING ACTUARY CONTRACT.

Kieran Murphy, Staff Actuary, presented a written and oral report on the contract prepared with the firm of Milliman & Robertson, Inc., Consulting Actuaries. The Board discussed the details of the contract with staff.

ACTION: It was moved by Ashe, seconded by Weisberg, to approve staff's recommendation for the contract with Milliman & Robertson, not to exceed $120,000; motion passed, 6-0.

3. PROPOSED CHARTER AMENDMENTS.

Clare Murphy, General Manager, presented a written and oral report on the proposed charter amendments. The Board reviewed and discussed the proposed amendments.

ACTION: It was moved by Weisberg, seconded by Gibson, to approve staff's recommendation to refer the proposed charter amendments to the Board of Supervisors for possible submission to the voters on the November 1988 ballot; motion passed, 6-0.

4. BILL REVIEW COMPANY SEARCH UPDATE.

Mike Lewis, Division Manager for Workers' Compensation, made a written and oral report on this matter. No action was taken; information item only.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Denning, to hear the Supplemental Calnedar, motion passed; 6-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Freddie Cason $2,000.00
   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Debra D. Clay $3,500.00
2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   James Reed $3,284.92
   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Wilfred Nash $2,051.39
   c SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Johnny Williams $10,117.08
3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Donovan Marshall
   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Patricia Ann McMillon

ACTION: It was moved by Gibson, seconded by Denning, to adopt the Supplemental Calendar; motion passed, 6-0.

INVESTMENT CALENDAR

1. REAL ESTATE PERFORMANCE REVIEW BY PENSION REALTY ADVISORS

   Susan Barlow, representing Pension Realty Advisors, presented a written and oral report to the Board on real estate performance. The Board reviewed and discussed the report with the staff and with Ms. Barlow. No action was taken; information item only.

2. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED MARCH 31, 1988.

   Carolyn Hamilton, Assistant Chief of Investments, addressed the Board on this item. No action was taken; information item only.

3. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED MARCH 31, 1988.

   Mark Coleman, Security Analyst, addressed the Board on this item. No action was taken; information item only.

4. PRESENTATION OF INVESTMENT DIVISION BUDGET.

   DeWitt Bowman, Chief Investment Officer, and Rudy Hernandez, Deputy General Manager, presented this item to the Board. The Board discussed this with the staff.

   ACTION: It was moved by Denning, seconded by Gibson to approve the Investment Division budget; motion passed, 6-0.

5. REPORT ON FIXED INCOME MANAGER SEARCH AND REVIEW OF RECOMMENDED FIRMS.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the following high yield style and long duration style companies:

High Yield Style

1. Alliance Capital Managemen
2. Caywood Christian Capital Management
3. Chase Investment Management Group
4. Citicorp Investment Management
5. Delaware Group
6. Fidelity Management Trust Company
7. First Investors Asset Management
8. W. R. Huff Asset Management
9. Lord, Abbett & Co.
10. Magten Asset Management
11. Merrill Lynch Asset Management
12. Morgan, Stanley Asset Management
13. New England Investment Group
14. Pacholder Associates Inc.
15. The Putnam Cos.
16. T. Rowe Price Associates
17. Solomon Asset Management
18. Trust Company of the West
19. Waddell & Reed.

Long Duration Style

1. Athena Management
2. Anhalt/O'Connell Inc.

3. Axe Houghton Management
4. Bankers Trust Co.
5. Bradford & Marzec
6. Centerre Trust Co.
7. Criterion Investment Management
8. Discount Corporation of New York
9. First Chicago Investment Advisors
10. Fisher, Francis, Tree and Watts
11. Investment Advisors Inc.
12. W. R. Lazard & Co.
13. Lehman Asset Management
14. Merril Lynch Asset Management
15. Miller Anderson & Sherrerd
16. NCM Capital Management
17. Peters, Gamm & West
18. Siebel Capital Management
19. State Street Research & Management
20. United Capital Management

ACTION: It was moved by Gibson, seconded by Walker, to allow Paul Denning to abstain from vote due to conflict of interest; motion passed, 6-0.

ACTION: It was moved by Ashe, seconded by Gibson, to approve staff recommendation for fixed income managers (high yield style); motion passed, 5-0.

ACTION: It was moved by Ashe, seconded by Denning, to approve staff recommendation for fixed income managers (long duration), after adding TCW Company to the list; motion passed, 6-0.

6. CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy Vote

Mays Department Store - 119,264 shares	For	Against
Eliminating the classified Board by reinstating annual elections fro directors	5	0
Restricting the flexibility and amount of stock options that could be granted by the company.	0	5
Requiring the Company to issue an annual report on the purchase of goods and services from minority and women owned business showing the dolloar amount and percentages of total purchases.	3	2

EXECUTIVE SESSION

The Retirement Board went into Executive Session to consider two items. The Board returned to open session, and President Driscoll reported that a partial settlement of a workers' compensation case was approved. The Board also considered personnel issues. No action was taken; information item only.

GENERAL MANAGER'S REPORT

The General Manager reviewed the forward schedule through the month of July 1988, and pointed out the Brown Act and Fiduciary standards for the Board members which were included in the packet.

There being no further business, the Board adjourned at 6:15 p.m.

Respectfully submitted,

Clare M. Murphy
General manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, JUNE 7, 1988 - 10:30 AM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg, M.D.	Commissioner
	Paul F. Denning	Commissioner

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

REGULAR CALENDAR

The following items were presented under the Regular Calendar:

ITEM

1. BILL REVIEW CONTRACTOR PRESENTATION:

The following companies made written and oral presentations to the Board on a Bill Review Service for the Workers' Compensation Division.

a. Review Co.
b. Beech Street of California
c. Medata

The Board reviewed and discussed the different companies and engaged in question and answer session with each of the firms' representatives.

ACTION: It was moved by Ashe, seconded by Gibson to adopt staffs' recommendation to hire Review Co.; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. FIXED INCOME MANAGER INTERVIEWS (HIGH YIELD).

The following companies made written and oral presentations to the Board on their styles of money management for High Yield Fixed Income Investment managers.

Delaware Investment Advisors
Solomon Asset Management Inc.
Fidelity Management Trust Co.
Caywood Christian Capital Management
Trust Co. of the West

The Board engaged in question and answer session with the firms' representatives. No action was taken at this time.

There being no further business, the Board adjourned at 5:10 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A tape was made of this meeting by Patricia Gillette.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

THURSDAY, JUNE 9, 1988 - 1:30 PM

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg, M.D.	Commissioner
	Paul F. Denning	Commissioner

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

INVESTMENT CALENDAR

The following item were presented under the Investment Calendar:

ITEM

1. FIXED INCOME MANAGER INTERVIEWS (LONG DURATION).

The following firms made written and oral presentations to the Board on their various styles for Long Duration Fixed Income Money Managers. The Board engaged in a question an answer session with each of the firms representatives.

Bradford & Marzec Inc.
Miller, Anderson & Sherrerd
Fischer, Francis, Tree & Watts
Axe Houghton Management Inc.
Lehman Management Co. Inc.
Bankers Trust Co.

No action was taken on this item.

EXECUTIVE ACTION

The Board met in Executive Session to discuss a personnel issue. The Board reconveyned in open session and announced that no action had been taken on the personnel issue.

There being no further business the Board adjourned at 5:45 P.M.

Respectfully Submited,

Clare M. Murphy
General Manager

Note: A tape was made of this meeting by Patricia Gillette.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JUNE 21, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, May 31, 1988 and Special Meetings of June 7 and June 9, 1988.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

Thw following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LISTS - 23-87 AND 24-87

2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Rose H. Coleman

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Miguel Cosio Jr.

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Eric L. Smith

3. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
James E. Newson $12,888.33

4. HEARING OFFICERS DECISION:

a) Yvonne Harbard-Ballard
POLICE DEPT. - Q2 Police Officer
DETERMINATION
March 16, 1977 - Jan. 11, 1988 DENIED
January 11, 1988 GRANTED

b) William R. Moore
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: August 1, 1986 GRANTED

5. a) REQUEST FOR AUTHORIZATION FOR ONE STAFF MEMBER TO ATTEND THE CONFERENCE ON VENTURE FORUM'88, OCTOBER 26-28, 1988 MARRIOTT COPLEY PLACE, BOSTON.

ACTION: It was moved by Gibson, seconded by Denning, to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE:
(Requires ballot vote)

Ronald E. Restivo

Dan Maguire, Deputy City Attorney, addressed the Board on this matter and recommended the adjustment of the applicant's retirement allowance from 50% to 66-1/2%. The Board reviewed the case and discussed the details with the staff.

ACTION: By a unanimous ballot vote, the Board approved the adjustment of Mr. Restivo's retirement allowance from 50% to 66-1/2%.

2. PROPOSAL FOR RETIREMENT BOARD RULE AMENDMENT FOR RULE 5.06.

Rudy Hernandez, Deputy General Manager, and Clare Murphy, General Manager, presented a written and oral report to the Board on the proposal for amendment of the Retirement Board Rule 5.06. The Board engaged in a question and answer session with the staff.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the amendment; motion passed, 6-0.

3. STATUS REPORT ON THE IMPLEMENTATION OF PROPOSITION "D":

Kieran Murphy, Staff Actuary; presented an oral report on the status of Prop D. No action was taken; information item only.

4. REPORT AND POLICY RECOMMENDATION ON DEFERRED COMPENSATION HARDSHIP WITHDRAWALS DURING THE 1988 BUDGET LAYOFF CRISIS:

Pamela Levesque, Executive Assistant, presented a written and oral report and recommendations on deferred compensation hardship withdrawals during the budget layoff crisis. The Board engaged in a question and answer session.

ACTION: It was moved by walker, seconded by Gibson, to approve the recommendations proposed by the staff; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Walker, to hear the Supplemental calendar; motion passed, 6-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
   David M. Lopez $ 1,250.00
   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Levell McClain $10,500.00
   c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Jose Ocasio $ 8,100.00
2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Raymond J. Donnelly
   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Cynthia Freeman

ACTION: It was moved by Weisberg, seconded by Denning, to adopt the Supplemental Calendar; motion passed, 6-0.

INVESTMENT CALENDAR

ITEM

1. HIGH YIELD FIXED INCOME MANAGER PRESENTATIONS AND RECOMMENDATION:.

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the high yield fixed income manager presentations. The Board discussed the issues with the staff.

   ACTION: It was moved by Ashe, seconded by Walker, to select Caywood Christian and TCW as Retirement System's high yield income managers; motion passed, 4-0 (Weisberg, Gibson).

2. LONG DURATION FIXED INCOME MANAGER PRESENTATIONS AND RECOMMENDATION:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the long duration fixed income manager presentations. The Board discussed the matter with the staff.

ACTION: It was moved by Ashe, seconded by Walker, to select Axe Haughton and Miller Anderson and Sherrerd as Retirement System's long duration fixed income managers; motion passed, 4-2 (Weisberg, Gibson).

3. OPTIMIZATION OF THE EXTERNAL FIXED INCOME MANAGERS:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on optimization of the external fixed income Managers. The Board reviewed and discussed the issues with the staff.

ACTION: It was moved by Gibson, seconded by Denning, that for the reasons discussed in staff's recommendations and with regret and due recognition of the services and personalities that have served the Retirement System, the Retirement Board would exercise its contractual right to sever the existing relationships only with respect to bond management with Lehman Management and Bankers Trust; motion passed, 6-0.

Any other asset allocation recommendations for the optimization report are carried over to the next Retirement Board meeting of July 12, 1988.

4. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer presented:

a) Proxy Votes

Great Atlantic & Pacific Tea Co.- 72,800 Shares Shareholder Proposal	For	Against
Requiring the Company to establish a nominating Committee, a majority of whose members would be outside directors, to nominate prospective board members.	6	0
McKesson Corporation - 500 Shares Shareholder Proposal		
To restore annual elections for all directors and an elimination of the present classified board.	6	0

The Chief Investment Officer also presented:

b) A list of companies with whom Investment Division staff met during the month of May 1988.

c) A list of US Companies Currently doing Business in South Africa.

d) A list of International Companies Currently doing Business in South Africa.

EXECUTIVE SESSION

The Retirement Board announced that it had met in Executive Session with the City Attorney on Tuesday, June 21, 1988, at 5:00 p.m. to discuss litigation, within the meaning of California Govt. Code Section 54956.9(a) in the matter of Angela Radosevich v. City and County of San Francisco (WCAB Case No. 322-364). The City Attorney and the Compensation Division were given authority to settle the above WCAB and pension claims.

The Retirement Board announced that it had met in Executive Session with the City Attorney on Tuesday, June 21, 1988, at 5:00 p.m. to discuss a fiduciary issue which presents a significant exposure within the meaning of Government Code section 54956.9(b)(1). No action was taken.

There being no further business,
The Board adjourned at 5:50 p.m.

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court Reporter: Dawn McNamee

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JULY 12, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg	Commissioner
ABSENT:	Peter Ashe	Commissioner
	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

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MINUTES: Minutes of Regular Meeting, June 21, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

EXECUTIVE SESSION

The Retirement Board went into Executive Session to discuss a legal matter. The Board reconvened in open session and directed staff to prepare a report on investment performance under the South Africa restrictions and any other information pertinent to this situation. In general, the Board feels there is a need to develop a social investing policy. Staff is to develop language. A Board sub-committee will work with staff in the development of that language. A preliminary draft should be ready for the August 9 Retirement Board meeting. No action was taken.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 1-88.

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Daniel G. Simpkin $215.08

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Hampton Blevins $750.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Elaine Collins $300.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Theresa L. Ford $18,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sandra Moore $3,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
James E. Ramos $10,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Edward Shelley $32,414.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Edward Fowlie

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Arthur Lee Johnson, Jr.

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Sonia Reyes

5. a) REQUEST FOR STAFF AND BOARD MEMBERS TO ATTEND THE THIRD ANNUAL MEETING OF THE PUBLIC SAFETY EMPLOYEES PENSION AND BENEFITS CONFERENCE, OCTOBER 16-19, 1988, TO BE HELD AT MARQUIS HOTEL IN PALM SPRINGS, CALIFORNIA.

b) REQUEST FOR ONE STAFF TO ATTEND THE HEALTH CARE COST MANAGEMENT CONFERENCE ORGANIZED BY INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS, SEPTEMBER 29 - OCTOBER 1, 1988, IN MONTEREY, CALIFORNIA

6. HEARING OFFICER DECISIONS:

a) Rosarito C. Banaag
SFGH - 2320 Registered Nurse
ORDINARY DISABILITY
Effective Date: January 20, 1988 GRANTED

b) Elmer T. Dong
SFUSD - 1760 Offset Machine Operator
ORDINARY DISABILITY
Effective Date: December 1, 1987 GRANTED

c) Carl W. Jackson
POLICE - Q-50 Sergeant
INDUSTRIAL DISABILITY DENIED

d) Frederick J. Kennedy
JUVENILE COURT - 8414 Sup. Prob. Officer
ORDINARY DISABILITY
March 1, 1988 GRANTED

e) Walter Pinosky
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY DENIED

f) Frank J. Scalise
DISTRICT ATTORNEY - Investigator
PERS DENIED

g) Vincent J. Senatore
POLICE - Q80 Captain
INDUSTRIAL DISABILITY/STIP DENIED

h) Harold M. Suslow
POLICE - 0380 Police Inspector
INDUSTRIAL DISABILITY - STIP
Effective Date: November 30, 1985 GRANTED

7. APPLICATION FOR BIRTHDAY CORRECTION
Dorothy Harman Webster

ACTION: It was moved by Walker, seconded by Weisberg, to adopt the Consent Calendar; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Judith P. Laskowski $6,667.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Richard Manning $3,215.10

2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Charles D. Brewer

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Manuel V. Gonzalez

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION FUND:
DAVID G. Peterson

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Marsha Schlom

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Stephanie D. Warren

3. HEARING OFFICER DECISIONS:

a) George Huegle
POLICE - Q-60 Lieutenant
INDUSTRIAL DISABILITY/STIP
Effective Date: July 21, 1986 GRANTED

b) James N. Janakes
AIRPORT - Police Officer
PERS DENIED

c) FRANK Kerlin
POLICE - Q-50 Sergeant
INDUSTRIAL DISABILITY/STIP
Effective Date: February 19, 1988 GRANTED

ACTION: It was moved by Denning, seconded by Gibson, to adopt the Supplemental Calendar, motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REPORT ON NOVEMBER 1988 CHARTER AMENDMENTS.

Clare Murphy, General Manager, presented an oral report on the prospective November 1988 Charter Amendments. The draft ballot measures which affect the Retirement System are as follows:

- Amending Sections 8.558, 8.559-6, 8.582 and 8.585-6 relating to Police and Fire retirement benefits.

- Amending Section 8.506-2 relating to retirement benefits for district attorney investigators.

- Amending Section 8.586-3, 8.586-4, 8.586-5, 8.588-3, 8.588-4 and 8.588-5 to provide benefits consistent with benefits applied to those Police and Fire officers hired prior to November 1976.

- To add a new section which would establish the Asian Art Commission as a Charter Commission.

- Amending Section 8.500 to allow the Board of Supervisors to amend the terms of the Retirement System from time to time to conform with changing tax laws.

- To add Section 8.527 to allow the Board of Supervisors to amend the provisions of the Retirement System from time to time to conform with community property laws.

- To Add Section 8.585-15, providing vested pension benefits for firefighters after five years of service.

- Amending Sections 1.103 and 4.105 and adding Sections 4.106, 4.107, 4.108, 4.109, 4.110 and 8.506-2, creating a Juvenile Probation Commission that would select the chief probation officer of the juvenile court, providing that the chief probation officer of the juvenile court be an officer of the City and County, and empowering the Board of Supervisors to contract with the Board of Administration of the Public Employees' Retirement System of the State of

California to provide that juvenile court probation officers and juvenile court counselors be members of said retirement system.

No action was taken; information item only.

2. UPDATE ON IMPLEMENTATION OF PROPOSITION D (JUNE '88).

Clare Murphy, General Manager, presented an oral report on the status of Proposition D. She reported that the Board of Supervisor's vote on Prop D was 7-3, (Maher, Molinari, Silver) and 9 votes were required for the Proposition to pass, the early retirement ordinance was not enacted.

3. REQUEST TO DISMISS APPLICATION FOR DISABILITY RETIREMENT
Darrielle E. Tausig

Pam Levesque, Executive Assisted, presented a written and oral report to the Board requesting dismissal of application for disability retirement by Darrielle Tausing. The Board reviewed and discussed the matter with the staff.

ACTION: It was moved by Weisberg, seconded by Denning, to approve the staff's request for dismissal of Darrielle Tausing's application; motion passed, 5-0.

INVESTMENT CALENDAR

1. REPORT AND RECOMMENDATION ON ASSET ALLOCATION FOR THE FIXED INCOME INVESTMENT MANAGERS.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board, recommending the asset allocation for the Fixed Income Managers. The Board discussed and reviewed the matter.

ACTION: It was moved by Denning, seconded by Gibson, to accept the staff's recommendation on asset allocation for the Fixed Income Managers; motion passed, 4-1 (Driscoll).

2. CHIEF INVESTMENT OFFICER'S REPORT:
a. Proxy Votes

The Board voted on the following proxy issues:

	For	Against
HVA Fixed Income Fund, Inc $3,47,429.78 Interest Shareholder Proposal		
Investment Advisory Agreement - previously Thorndike, Dorean, Paine & Lewis had served as investment manager for the fund. They have now been replaced by Hartford Investment Management Co. as of April 1, 1988. Investment management fees will not be changed.	5	0

Foreign Security restrictions - Investment in foreign securities (in addition to Canadian which are now permitted) would be permitted up to 30% of total assets.	5	0
Maturity Restrictions - A proviion would be added requiring the fund to maintain at least 65% of assets in bonds with a maturity of at least one year.	5	0
Name Change - The name would be changed to Hartford Bond/Debt Securities Fund Inc.	4	1

Hartford Index Fund Inc. - $408,436.91 Interest Shareholder Proposal

Election of Directors - Three officers of Hartford along with five outside businessmen have been proposed for one year term as directors.	5	0
Investment Advisory Agreement - The current agreement with Hartford Investment Management Company should be extended on present terms for another year.	5	0
Administrative Service Agreement - The current agreement with Life Insurance Company should be extended on present terms for another year.	5	0

DeWitt Bowman, Chief Investment Officer presented:

a. A list of firms the Investment Division staff met during the month of June 1988.

b. A list of US companies currently doing business in South Africa.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. Hartford General Account has increased to 8.95% and will be in effect from August 1, 1988

2. Beechstreet & Medata have requested reconsideration of the June 7 Bond action on a bill review service for the Workers' compensation division.

3. Presented a bulletin from NCPERS "Urgent Word from Washington" on endorsement by the Democratic Platform Committee of the use of public employee funds for housing.

4. Presented a schedule of Department Head Meetings, received from the Mayor's Office.

There being no further business, the Board adjourned at 5:00 p.m.

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JULY 26, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	Peter Ashe	Commissioner
	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg, M.D.	Commissioner

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, July 12, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 2-88

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Peter Braningan $4,859.26

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Fletcher Dixon $4,850.00

   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Mirna Escobar $15,000.00

   c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Groco Griffin $30,000.00

   d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Anna (Adams) Ong $5,000.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Gloria Johnson

5. HEARING OFFICER DECISIONS:

   a) YVONNE HARBOR BALLARD*
   POLICE - Q2 Police Officer
   DETERMINATION
   Effective Date: January 11, 1988 - Present GRANTED

   *Note: To correct clerical error in date
   (approved on July 21, 1988).

   b) John T. Golden
   FIRE - H2 Firefighter
   INDUSTRIAL DISABILITY/STIP DENIED

c) JOHN E. REUDY
FIRE - H-20 Lieutenant
INDUSTRIAL DISABILITY/STIP
Effective Date: November 1, 1984 GRANTED

d) CHEW S. WONG
SFGH - 2604 Food Service Worker
ORDINARY DISABILITY
Effective Date: May 28, 1988 GRANTED

e) Sheryl I. Yount
SFGH - 2532 Paramedic
ORDINARY DISABILITY DENIED

ACTION: It was moved by Gibson, seconded by Walker, to adopt the Consent Calendar, motion passed, 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Denning, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Leslie Nelms $ 11,870.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Peter Ludwig Canaan $ 55,000.00

Verbally added as item 1c:

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE
Chu Cha Oh (Kerr) $ 15,000.00

2. HEARING OFFICER DECISIONS:

a. JAMES BOOKER
PUBLIC HEALTH (LHH) - 2738 Porter Asst. Supv.
ORDINARY DISABILITY
Effective Date: October 3, 1987 GRANTED

b. DONNIE HANSEN
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY
Effective Date: August 23, 1988 GRANTED

c. GEORGE SHAW
MUNI - 9102 Transit Car Cleaner
ORDINARY DISABILITY
Effective Date: April 1, 1988 GRANTED

3. REQUEST FOR APPROVAL OF A RESOLUTION ON WORKERS' COMPENSATION TRAVEL.

ACTION: It was moved by Denning, seconded by Walker to adopt the entire Supplemental Calendar, items 1-3; motion pased, 4-0.

REGULAR CALENDAR

1. APPROVAL OF ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE
   (Requires ballot vote)

   James D. Mc Govern

   Pam Levesque, Executive Assistant, addressed the Board on this matter and recommended the adjustment of the applicant's allowance from 50% to 76% covering the period from 12/26/84 to 2/14/85. The Board reviewed the case.

   ACTION: By a unanimous ballot vote, the Board approved the adjustment of Mr. McGovern's disability retirement allowance as recommended by the staff.

2. PROPOSAL FOR A RETIREMENT BOARD TRAVEL POLICY

   Clare Murphy, General Manager, and Pam Levesque, Executive Assistant, presented a written and oral report to the Board, proposing adoption of a Retirement Board travel policy. The Board reviewed the proposed policy and suggested a few amendments. The staff will make the required amendments and bring back this item to the Board for final adoption at the August 9, 1988, Board meeting.

3. REQUEST FOR RECONSIDERATION OF THE SELECTION OF A BILL REVIEW SERVICE FOR WORKERS' COMPENSATION BY BEECH STREET OF CALIFORNIA, INC.

   The Retirement Board discussed the request for reconsideration by Beech Street of California. The Board deliberated on each item presented in the written request by Beech Street. The Board reviewed staff's oral presentation and engaged in a question and answer session on the matter. The Board determined not to reconsider the matter of a Bill Review Service for the Workers' Compensation Division.

INVESTMENT CALENDAR

1. REVIEW OF INVESTMENT PERFORMANCE FOR THE DEFERRED COMPENSTION PLAN FOR THE QUARTER ENDING MARCH 31, 1988.

   Al Kuhn of The Hartford Life Insurance Co. presented a written and oral report to the Board on the performance for the Deferred Compensation program for the quarter ended March 31, 1988. The Board reviewed and discussed the issues with Mr.Kuhn and engaged in a question and answer session. No action was taken; information item only.

2. EXTERNAL EQUITY MANAGER COMPARATIVE PERFORMANCE UPDATE, REVIEW AND RECOMMENDATIONS.

DeWitt Bowman, Chief Invstment Officer, presented a written and oral report to the Board on the External Equity Manager Comparative Performance update, review and recommendations. The Board reviewed and discussed the issues and engaged in a question and answer sesssion.

ACTION: It was moved by Walker, seconded by Gibson, to approve staff's recommendation to terminate investment management contracts with Fred Alger Management Inc., and Hahn, Holland and Grossman; motion passed; 4-0.

3. CHIEF INVESTMENT OFFICER'S REPORT:

a)The Board voted on the following proxy issues:

Warner Communications - 83,100 Shares Shareholder Proposal	For	Against
To replace the present classified board by requiring all directors to be elected annually.	3	1
McDermott International - 70,000 Shares Shareholder Proposal		
To replace the present classified board by requiring all directors to be elected annually.	3	1

The Chief Investment Officer distributed memos on:

1. Comparative performance of the Equity Index Fund vs. the Standard & Poor 500.

2. Public Pension Research Institute proposal for SFERS to become a charter member in the PPRI along with other public pension funds.

ACTION: It was moved by Gibson, seconded by Walker, to approve staff recommendation to become a charter member provided staff will monitor service and if service is not useful, membership will be terminated; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General manager reported:

1. On 7/25/88 through 7/26/88 the Board of Supervisors deliberated the November Charter Amendments. Clare Murphy, Kieran Murphy and Dan Maguire were present at the Supervisors Board meetings to discuss issues relating to the Retirement System.

2. On an updated version of the City's budget for the fiscal year 88/89 presented at the 7/25/88 Board of Supervisors meeting.

3. Informed the Board on the appointment of Fay Woo to be the new Chief Accountant for the Retirement System.

There being no further business,
the Board adjourned at 5.05 p.m.

Respectfully Submitted



Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court Reporter: Dawn McNamee

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, AUGUST 9, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg	Commissioner

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, July 26, 1988.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 3-88

2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Roy S. Tripple

3. a) APPLICATION FOR BIRTHDAY CORRECTION
June H. Mar

4. HEARING OFFICER DECISIONS:

a) EVERETT L. BELCHER
FIRE - H-2 Lieutenant
DETERMINATION
Effective Date: April 6, 1987 -
present and continuing GRANTED

b) JAMES OSORO
DeYOUNG MUSEUM - 8226 Guard
ORDINARY DISABILITY
Effective Date: March 1, 1988 GRANTED

c) ROBERT D. PRICE
REC. & PARKS - 3417 Gardener
ORDINARY DISABILITY
Effective Date: July 23, 1988 GRANTED

d) WILLIAM D. SOWELL
POLICE - Q-2 Police Officer
INDUSTRIAL DISABILITY
Effective Date; July 23, 1988 GRANTED

e) ORA R. WRIGHT
DPH (SFGH) - 2302 Orderly
ORDINARY DISABILITY
Effective Date: April 1, 1988 GRANTED

ACTION: It was moved by Walker, seconded by Ashe, to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. PROPOSAL FOR A RETIREMENT BOARD TRAVEL POLICY.

ACTION: It was moved by Gibson, seconded by Walker, to make amendments to the Retirement Board travel policy; motion passed, 4-0.
Note: Amended Policy attached.

ACTION: It was moved by Gibson, seconded by Walker, to approve the travel policy as amended; motion passed, 4-0.

2. a) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE REAL ESTATE SEMINAR FOR PENSION PLAN PROFESSIONALS, SPONSORED BY THE INSTITUTE FOR FIDUCIARY EDUCATION, SEPTEMBER 12-15, IN UTAH.

Clare Murphy, General Manager presented a written and oral report on the Real Estate Seminar sponsored by the Institute for Fiduciary Education and recommended that Carolyn Hamilton, Assistant Chief of Investments, attend the seminar.

ACTION: It was moved by Gibson, seconded by Ashe, to approve staff's recommendation for Carolyn Hamilton to attend the seminar.

b) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE INSTITUTIONAL INVESTOR INSTITUTE'S FIRST PUBLIC FUND ROUNDTABLE, SEPTEMBER 22-23, IN DALLAS, TEXAS.

This item was withdrawn from the calendar.

c) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE ANNUAL PLANNING SEMINAR OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF NEVADA, SEPTEMBER 19-20, CRYSTAL BAY, NEVADA

Clare Murphy, General Manager, presented a written and oral report on the Annual Planning Seminar of the Public Employees Retirement System of Nevada, and recommended that DeWitt Bowman, Chief of Investments attend the Seminar.

ACTION: It was moved by Walker, seconded by Gibson, to approve staff's recommendation for DeWitt Bowman to attend the seminar.

3. REQUEST TO DISMISS APPLICATION FOR DISABILITY RETIREMENT
Joseph C. Hubert

This item was withdrawn from the Calendar.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker, to hear the Supplemental Calendar.

ITEM

1. SETTLEMENT OF THIRD PARTY CASES - THIRD PARTY SETTLEMENT
John Farley $2,589.80

2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joel Benzon Irvine

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Rosia Lee Robinson

3. HEARING OFFICER DECISIONS:

a) CLARENCE G. BELL
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: June 1, 1988 GRANTED

b) RAYMOND J. BERNDL
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: July 1, 1988 GRANTED

c) PETER P. CONNOLLY
PUBLIC LIBRARY - 3632 Librarian II
ORDINARY DISABILITY
Effective Date : August 3, 1988 GRANTED

d) BEATRICE GARRETT
DPH - 2587 Health Worker II
ORDINARY DISABILITY
Effective Date: June 8, 1988 GRANTED

e) EDWARD J. SHELLEY
SHERIFF'S DEPT. - Sergeant
PERS
Effective Date: October 26, 1988 GRANTED

f) PETER P TURDICI
FIRE - H30 Captain
INDUSTRIAL DISABILITY/STIP
Effective Date: February 20, 1988 GRANTED

g) PHILIP E. TURNER
REC. & PARKS - 7334 Stationary Engineer
ORDINARY DISABILITY/STIP
Effective Date: March 5, 1988 GRANTED

ACTION: It was moved by Gibson, seconded by Walker, to adopt items 1-3 of the Supplemental Calendar.

Note: Commissioner Denning arrived at this time.

4. REVIEW OF RETIREMENT RELATED CHARTER AMENDMENTS ON THE NOVEMBER BALLOT.

Kieran Murphy, Staff Actuary. presented text of three retirement related charter amendments approved by the Board of Supervisors for the November ballot.

All three proposals for charter amendments were reviewed by the Retirement Board:

1. Proposal on conforming with Federal tax laws (File 274-88-1):

ACTION: It was moved by Driscoll, seconded by Ashe, that the charter amendment be supported; motion passed, 5-0.

5. REVIEW OF DRAFT POLICY ON SOCIAL INVESTMENT.

This item will be calendared in the next Regular or Special Retirement Board meeting.

6. REVIEW AND APPROVAL OF FINAL DRAFT OF A REAL ESTATE MANAGER CONTRACT WITH LEHNDORF & BABSON REAL ESTATE COUNSEL.

Clare Murphy, General Manager, DeWitt Bowman, Chief Investment Officer, Dan Maguire, Deputy City Attorney, Bill Ramseyer and Charles Dorris of Pension Realty Advisors presented a written and oral information on the draft terms of a 50-year Group Trust Real Estate agreement. After detailed discussion by the Board, staff and consultants, the Board instructed staff and consultants to pursue the following changes in the Draft Group Trust Agreement.

1. modify unanimous consent requirement to supermajority in the following circumstances:

    a. Termination (and selection) of manager
    b. Termination of the group trust

2. Modify agreement to require annual appraisals

3. Remove "public funds only" restriction on candidate partners.

ACTION: It was moved by Ashe, seconded by Denning, to formalize the above intructions; motion passed, 3-0.

7. The Chief Investment Officer distributed:

a. Report on the new fixed income manager allocations

b. Description of qualifications for Equity Manager search

c. Copy of RFP to Growth managers

d. List of managers who have been identified as potential managers.

e. List of managers whom the staff met with during the month of July.

No proxies were presented.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported:

1. Fay Woo has joined the Department as Chief Accountant.

2. Letter received August 1, 1988, from Medata/Risk Data, requesting reconsideration of their bid for bill review service for the Workers' Compensation Division. This item will be calendared for a future REtirement Board meeting.

3. The City enacted a 125 cafetaria Plan with a new dental and a supplemental disability program.

BOARD MEMBERS

The Board members discussed the following matters:

1. The effect of the nurses' strike at St. Francis Hospital and the continuance of patient care in the Franciscan Treatment Room.

2. President Driscoll discussed his visit to the Lehndorf & Babson offices in Dallas, Texas.

There being no further business,
the Board adjourned at 6.55 p.m.

Respectfully Submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court Reporter: Dawn McNamee

SAN FRANCISCO RETIREMENT SYSTEM

TRAVEL POLICY

1. All prospective seminars and conferences will be reviewed by Board members in advance and will be discussed as part of the Retirement Board Regular Calendar. Each conference and seminar will be reviewed for substance and appropriateness.

2. The Retirement Board shall rotate attendance at conferences among Board members and staff. The number of persons attending any one conference should be prudent in relation to the size of the Board and staff.

3. Authorized attendees who attend seminars and conferences will prepare a report to the full Board on the content and quality of the conference.

4. Out of state travel will be authorized only if a similar seminar or conference is not be offered within the state.

5. Out of state travel and travel outside the continental United States will be allowed if the conference or seminar is of more than one day in length, unless a one day conference is of unique content.

6. Conference attendees will comply with the City travel notice and travel reimbursement requirements.

   a. All original travel receipts must be received by the Administrative Division at the next Retirement board meeting upon the completion of an authorized trip.

   b. Authorized attendees will be reimbursed for coach airfare, ground transportation, hotel accommodation at the single room rate for number of nights reasonably required to attend the conference, conference fees, and any other necessary expenses.

7. All Board members must notify the Administrative Division of any non-board related travel in order to receive Mayor's approval for out of state travel.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SPECIAL MEETING

TUESDAY, AUGUST 23, 1988 - 4:00 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg	Commissioner

Clare M. Murphy — General Manager

Retirement System

RETIREMENT BOARD

SPECIAL MEETING

INVESTMENT CALENDAR

ITEM

1. REVIEW OF DRAFT POLICY ON SOCIAL INVESTMENT

The Retirement Board discussed a draft policy on Social Investment. Mr. Ken Taymor, Special Assistant to the City Attorney, and Mr. Dan Maguire, Deputy City Attorney, provided counsel to the Board throughout the discussion. Mr. DeWitt Bowman, Chief Investment Officer, and Ms. Clare Murphy, General Manager, reviewed the draft and asked questions of Board members. At the conclusion of the discussion, staff was directed to revise the draft to reflect concerns expressed by the Board and to provide an update at the September 13, 1988 meeting for further discussion.

Note: President Joseph Driscoll left the meeting at 6:00 p.m.

The meeting adjourned at 6:55 p.m.

There being no further business,
the Board adjourned at 6:55 p.m.

Respectfully Submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by Court Reporter: Dawn McNamee

CALENDAR

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, AUGUST 30, 1988

1:30 P.M.

Joseph D. Driscoll	President
Bonnie K. Gibson	Vice President
Peter D. Ashe	Commissioner
Paul Denning	Commissioner
Samuel W. Walker	Commissioner
Raymond L. Weisberg, M.D.	Commissioner
Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

REGULAR MEETING

MINUTES

Minutes of Regular Meeting August 9, 1988, and Special Meeting August 23, 1988, submitted for approval.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 4-88

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLMENT
   Patricia Dunson $158.04

   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Paul San Felipe $45,000.00

   c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Ernest A. Ferrando $59.83

   d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   William J. Moore, Jr. $300,000.00

   e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Anthony Santana $102.83

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Marietta Amatangelo $8,000.00

   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Ruth Frison $21,000.00

   c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Lane Page $21,000.00

   d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Julia Robinson $15,620.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Cesar E. Bautista

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
B. Jane Hawthorne

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lauretta Hughes

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Alfred W. Lent

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joe Williams

5. a) REQUEST FOR BIRTHDATE CORRECTION:
David Abeyta

b) REQUEST FOR BIRTHDATE CORRECTION:
Pedro Alcantara

c) REQUEST FOR BIRTHDATE CORRECTION:
Amelia Selchau

d) REQUEST FOR BIRTHDATE CORRECTION:
Joseph Smith

e) REQUEST FOR BIRTHDATE CORRECTION:
Mirsa Ulagay

6. HEARING OFFICER DECISIONS:

a) Charles Bankhead
MUNI - 9163 Transit Operator
ORDINARY DISABILITY/STIP DENIED

b) Christie Fazzio
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY DENIED

ACTION:

REGULAR CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE AMERICAN COMPENSATION ASSOCIATION 1988 NATIONAL CONFERENCE, OCTOBER 5-7, IN SAN FRANCISCO.

   ACTION:

2. REQUEST FOR RECONSIDERATION OF THE SELECTION OF A BILL REVIEW SERVICE FOR WORKERS' COMPENSATION BY RISK DATA.

   ACTION:

INVESTMENT CALENDAR

1. IMPLEMENTATION OF THE EQUITY REAL ESTATE INVESTMENT PROGRAM

   ACTION:

2. REPORT ON TOTAL FUND PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1988, BY CALLAN ASSOCIATES.

3. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS

4. CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy Votes

b. Report on "CORE" Real Estate Group Trust Agreement.

ACTION:

PUBLIC COMMENTS

GENERAL MANAGER'S REPORT

BOARD MEMBERS

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, SEPTEMBER 13, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, August 30, 1988

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

The following items were presented under the Investment Calendar:

2. UPDATE ON EQUITY GROWTH MANAGER SEARCH

DeWitt Bowman, Chief Investment Officer, and Gary Hiatt, Security Analyst, presented a written and oral report to the Board on the proposed finalist of the Equity Growth Manager Search. Mr. Hiatt reviewed in detail each of the recommended firms.

Note: Commissioner Denning arrived during the Equity Growth Manager discussion. Commissioner Samuel Walker arrived during the Equity Growth Manager discussion.

The Board reviewed and discussed the material with staff.

ACTION: It was moved by Gibson, seconded by Weisberg to accept staff's recommendation on the five managers and the firm of Cadence Capital Management to be interviewed by the Board; motion passed, 6-0.

1. REAL ESTATE APARTMENT FUND PRESENTATION

DeWitt Bowman, Chief Investment Officer, Paul St. Pierre from Pension Realty Advisors and representatives from L. J. Melody & Co. - Larry Melody, President, L J Melody & Co., and Bob Barkley, - presented a written and oral report on the Company and Proposed Investment Melody Fund I. The Board discussed the proposed Melody Fund I with the representatives and staff. No action was taken; information item only.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 5-88
2. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Luisa Garay de Campbell 4,000.00
   b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Robert Gong $38,455.00
   c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: William Pearson $5,500.00
   d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Myrtis Reed $5,000.00

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Turham Burton

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
David R. Castro

4. a. REQUEST FOR BIRTHDATE CORRECTION
Alex J. Schexnayder

5. HEARING OFFICER DECISIONS:

a. Obed Holland
MUNI - 9139 Transit Supervisor
ORDINARY DISABILITY
Effective Date: June 23, 1987 GRANTED

b. Walter Loggins
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: June 1, 1988 GRANTED

c. Robert B. MacDonald
SFUSD - 0738 Teacher
ORDINARY DISABILITY
Effective Date: March 1, 1988 GRANTED

ACTION: It was moved by Gibson, seconded by Walker to adopt the Consent Calendar with the exception of item 3a which was taken off the calendar, and item 3b which was approved in part, by reducing the amount of requested amount of withdrawal from $2500.00 to $1800.00; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION FOR ONE BOARD MEMBER TO ATTEND THE ADVANCED MONEY MANAGEMENT WORKSHOP, SPONSORED BY INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS, TO BE HELD IN PHILADELHIA, PENNSYLVANIA, OCTOBER 17-19, 1988.

ACTION: It was moved by Gibson, seconded by Denning, to authorize Joseph Driscoll to attend the Advanced Money Management Workshop; motion passed, 6-0.

ITEM

INVESTMENT CALENDAR

4. CHIEF INVESTMENT OFFICER'S REPORT:

c) Report on "CORE" Real Estate Group Trust Agreement

Ken Taymor, Special Assistant to the City Attorney, and DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the Real Estate Group Trust Core Agreement. The Board reviewed and discussed the agreement and engaged in a question and answer session with staff.

ACTION: It was moved by Denning, seconded by Ashe to adopt the "CORE" agreement as presented; motion passed, 6-0.

a) US Companies currently doing business in South Africa.

DeWitt Bowman distributed the list of US Companies currently doing business in South Africa.

b) Standard Agreement for Investment Management Services

DeWitt Bowman distributed a new agreement used for the new, Fixed Income managers and recommended using it for new Equity Managers as well.

ACTION: It was moved by Denning, seconded by Ashe, to approve the new contract agreement as to form for the investment managers; motion passed, 6-0.

d) Proxy Votes

The Board voted on the following proxy issues:

Marshall Industries - 142,600 Shares Shareholder Proposal	For	Against
To alter the articles of incorporation that limit the directors liability. To broaden the indemnification of its directors in order to continue to attract qualified directors.	6	0

To alter the articles of incorporation to broaden the indemnification of officers, employees, and other agents so that they are not unreasonably exposed to the high personal costs and other uncertainties of litigation.	6	0
To expand the monetary liability coverage for the directors officers, and other agents so the company will bear a greater cost of coverage.	6	0

The Circle K Corporation
Management Proposal

To purchase Charter Oil Company and Charter International Oil Company and NPI Corporation. The Companies whose stock is being acquired and their subsidiaries constitute the convenience store and gasoline distribution operations of Charter. Also to issue 500,000 shares of a new issue of the Company's Preferred Stock estimated at approximately $35 million.	6	0

GENERAL MANAGER'S REPORT

The General Manager reported on the following items:

a) Review of Forward Board Meeting Schedule

1) Reviwed forward Board meeting schedule and agreed that the Board interview Equity Growth Managers on October 4, 1988.

3) Recommended that the Board Meeting for November 8, 1988, be rescheduled to Thursday November 10, 1988, to ensure adequate attendance of the Board members. Revised schedule attached.

b) Update on Proposition D

President of the Board of Supervisors, Nancy Walker, is reintroducing the Early Retirement. The General Manager will meet with Supervisor Walker on September 15, 1988, and keep the Board informed as discussions develop.

Commissioner Driscoll left the meeting at this time.

c. Mayor's Travel Authorization Group Trust Agreement.

Advised the Board members of the Mayor's new travel policy which will allow Department Heads to authorize travel in California with expenses not exceeding $500.00.

d. City Attorney Services

Referred to her meeting with the City Attorney in August and informed the Board that an amount of $750,000.00 was budgeted this year for City attorney services, with 6 full-time attorneys.

e. Distributed invitations to various events.

INVESTMENT CALENDAR (Contd.)

Note: President Driscoll left the meeting at this time.

3. UPDATE ON SOCIAL INVESTMENT POLICY:

DeWitt Bowman, Chief Investment Officer, presented a written and

oral report to the Board. The Board reviewed and discussed the policy with DeWitt Bowman, Chief Investment Officer, Ken Taymor, Special Assistant to the City Attorney, Clare Murphy, General Manager, and Dan Maguire, Deputy City Attorney. The Board reviewed and discussed the draft. No action was taken; information item only.

There being no further business, the Board adjourned at 7:30 p.m.

Respectfully Submitted

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, September 27, 1988

1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, September 13, 1988

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

ITEM

4. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED JUNE 30, 1988.

Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report to the Board on the activities and performance of the External International Equity Managers for the quarter ended June 30, 1988. The Board reviewed the report and had a question and answer session with the staff.

1. SOCIAL INVESTMENT POLICY

DeWitt Bowman, Chief Investment Officer, Ken Taymor, Special Assistant to the City Attorney, and Clare M. Murphy, General Manager, presented a written and oral report to the Board on social investment policy and procedures. Mr. Bowman distributed a revised draft of the Social Investment Procedures. The Board engaged in a question and answer session with staff. A variety of motions were discussed by the Board members and the following were enacted:

ACTION: It was moved by Weisberg, seconded by Gibson, to adopt Social Investment Procedures (copy attached); motion passed, 5-1 (Ashe).

ACTION: It was moved by Walker, seconded by Weisberg to adopt the policies as stated under items 1, 3, 4, and 5 of the September 27, 1988 memo on Social Investment Procedures; motion passed, 5-1 (Ashe) (memo attached).

ACTION: It was moved by Weisberg, seconded by Denning, to adopt item #2 of the September 27, 1988 memo on Social Investment Procedures on South Africa Investment Restrictions with the current restricted list of companies to remain in effect; motion passed, 5-1 (Walker) (memo Attached).

ACTION: It was moved by Ashe, seconded by Denning, to reconsider the Retirement Board Resolution of 4/30/85 as amended; motion passed, 5-1 (Walker).

ACTION: It was moved by Ashe, seconded by Denning, to rescind the Retirement Board Resolution of 4/30/85 as amended; motion passed, 5-1 (Walker).

2. REAL ESTATE PERFORMANCE REVIEW BY PENSION REALTY ADVISORS

Paul St. Pierre from Pension Realty Advisors presented a written and oral report to the Board. The Board reviewed the matter and entered into a question and answer session with Mr. St. Pierre and the staff. No action was taken, information item only.

Note: Commissioner Denning left the meeting at this time.

3. REPORT AND RECOMMENDATION ON MELODY FUND I.

Paul St. Pierre from Pension Realty Advisors and DeWitt Bowman, Chief Investment Officer, presented a written and oral report on Melody Fund I. Staff requested that no action be taken on this item at this time.

5. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED JUNE 30, 1988.

Mark Coleman, Security Analyst, presented a written and oral report to the Board. The Board reviewed and discussed the matter with the staff. No action was taken, information item only.

6. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer reported that:

He presented a list of candidates for the Equity Quantitative Value Manager Search. The Board reviewed the list. No action was taken; information item only.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 6-88
2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   James L. Griffin $12,000.00
3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Arthur Lee Johnson Jr.

4. HEARING OFFICER DECISIONS:

George L. Crowder
FIRE - H2O Lieutwnant
INDUSTRIAL DISABILITY/STIP
EFFECTIVE Date: December 1, 1986 GRANTED

5. REQUEST FOR BIRTHDATE CORRECTION
Richard E. Bayman

ACTION: It was moved by Ashe, seconded by Weisberg to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION FOR ONE STAFF MEMBER TO ATTEND THE 16TH ANNUAL FIXED INCOME CONFERENCE SPONSORED BY INSTITUTIONAL INVESTOR, TO BE HELD OCTOBER 26-27, 1988, IN NEW YORK AND TO VISIT FIXED INCOME MANAGERS IN THE NEW YORK REGION.

   ACTION: It was moved by Weisberg, seconded by Ashe, to authorize one staff to attend the 16th Annual Fixed Income Conference in New York, October 26-27, 1988; motion passed, 5-0.

2. CONSIDERATION OF AN ORDINANCE AMENDING SECTION 16.6-29, TO ADD ORGANIZATIONS ONTO THE MEMBERSHIP LIST OF THE EMPLOYEES RETIREMENT SYSTEM.

   ACTION: It was moved by Ashe, seconded by Weisberg to approve ordinance amending section 16.6-29, to add organizations onto the membership list of the Employees Retirement System; motion passed, 5-0.

3. HEARING OFFICER DECISION:

   Steven J. Bolander
   Police - Q2 Officer
   INDUSTRIAL DISABILITY
   Effective Date: March 15, 1988 GRANTED

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this case and requested for petition for rehearing.

ACTION: It was moved by Weisberg, seconded by Gibson, to allow counsel's request for a rehearing; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE.
   Joseph Rose - Azevedo $8000.00

   ACTION: It was moved by Ashe, seconded by Weisberg, to adopt the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager presented:

a. Prospective Retirement Board Calendar

The Board approved holding a special meeting on 11/22/88 and made a few other changes in the prospective calendar's topic selction.

b. Report on Section 125 Cafetaria Plan now being offered to City employees.

BOARD MEMBERS

The Board adjourned in memory of Daniel Cornelius Murphy II.

There being no other business, the meeting adjourned at 5:50 p.m.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Christie Clark.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SPECIAL MEETING

TUESDAY, OCTOBER 4, 1988 - 2:00 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Raymond L. Weisberg	Commissioner
ABSENT:	Samuel W. Walker	Commissioner
	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

INVESTMENT CALENDAR

ITEM

1. PRESENTATIONS BY GROWTH EQUITY MANAGERS:

Presentations were made by representatives of the firms listed below. Board members and staff engaged in questions and answers with those representatives.

Firms which made presentations:

Cadence Capital Management Corporation
Columbus Circle Investors Inc.
Sirach/Flinn, Elvins Capital Management *
Invista Capital Management, Inc.
RCM Capital Management
Harris Bretall Sullivan and Smith

* Note: Dr. Weisberg left the meeting after the Sirach presentation.

There being no other business,
the meeting adjourned at 6:00 p.m.

Clare M. Murphy
General Manager

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, October 11, 1988

1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, September 27, 1988
and Special Meeting, October 4, 1988

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 7-88

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Otis Bayless $569.40

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Harold S. Bell $340.05

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Linda Demetrescu $6,000.00

4. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Guy Crouch

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Hope Giles

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Fay Yee

5. HEARING OFFICER DECISIONS:

a) Raymond Brooks
ORDINARY DISABILITY
REC. & PARK - 3418 Gardener Asst. Sup.
Effective Date: July 1, 1988 GRANTED

b) Peter C. Buckley
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY/STIP DENIED

c) Renetta Chandler
FIRE DEPT. - Lieutenant
CONTINUATION DENIED

d) Allen Robinson
REC. & PARKS - 3284 Recreation Director
ORDINARY DISABILITY/STIP
Efective Date: July 23, 1988 GRANTED

ACTION: It was moved by Ashe, seconded by Walker, to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION FOR BOARD AND STAFF MEMBERS TO ATTEND THE REAL ESTATE & ECONOMICS SYMPOSIUM '88, SPONSORED BY UC BERKELEY CENTER FOR REAL ESTATE & URBAN ECONOMICS, NOVEMBER 16, 1988, SAN FRANCISCO.

Clare M. Murphy, General Manager, addressed the Board on this item, requesting authorization for Board and staff members to attend the Real Estate & Economics Symposium '88, in San Francisco.

ACTION: It was moved by Ashe, seconded by Weisberg, to authorize attendance of Board and staff members to the Symposium in San Francisco; motion passed, 4-0.

2. DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY - David P. Sieber

Pam Levesque, Executive Assistant, presented a written and oral report to the Board, requesting Board's approval for dismissal of Mr. Sieber's application for industrial disability retiremet.

ACTION: It was moved by Ashe, seconded by Walker, to approve dismissal of Mr. Sieber's application; motion passed, 4-0.

3. SUPERIOR COURT DECISION:

Carlton Rivers
DPW - Bridge tender

New hearing ordered re Ordinary Disability Retirement

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board, and recommended that the Retirement Board refer this matter to a Hearing Officer for a new pension hearing.

ACTION: It was moved by Weisberg, seconded by Walker, to approve staff's recommendation for a new hearing, motion passed, 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Weisberg, seconded by Ashe, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN.
Joseph Bell

ACTION: It was moved by Weisberg, seconded by Ashe, to adopt the Supplemental Calendar; motion passed, 4-0.

INVESTMENT CALENDAR

Note: Commissioner Denning arrived at this time.

ITEM

3. REVIEW OF INVESTMENT PERFORMANCE FOR THE DEFERRED COMPENSATION PLAN FOR THE QUARTER ENDED JUNE 30, 1988.

Al Kuhn, representing The Hartford Life Insurance Co., presented a written and oral report to the Board on this matter. The Board reviewed the investment performance for the Deferred Compensation Plan and engaged in a question and answer session. No action was taken; information item only.

Note: Commissioner Driscoll arrived at this time.

1. REVIEW OF CANDIDATES FOR REAL ESTATE CONSULTANTS AND RECOMMENDATION FOR PRESENTATION.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board, and discussed recommendations for review and selection of Real Estate Consultants.

ACTION: It was moved by Ashe, seconded by Gibson, to adopt the staff's recommendations on the firms to be invited for presentations; motion passed, 6-0.

2. SELECTION OF EQUITY GROWTH MANAGERS.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the selection of equity growth managers.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the staff's recommendation to hire RCM Capital Management; motion passed, 6-0.

ACTION: It was moved by Gibson, seconded by Walker, to excuse Commissioner Denning from discussion and voting on the future of Loomis Sayles as Equity Manager; motion passed, 6-0.

ACTION: It was moved by Gibson, seconded by Walker, to accept the staff's recommendation and with great regret to terminate the relationship with Loomis Sayles; also to allocate 100 million dollars to RCM Capital Management, 20 million to Furman Selz, 20 million to Nicholas Applegate; motion passed, 4-1 (Ashe). (Denning excused).

4. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowman, Chief Investment Officer, presented lists of firms visited by the Investment Division staff during the months of August and September 1988. The Board reviewed and discussed the lists with the staff.

GENERAL MANAGER'S REPORT

The General Manager reported:

1. A recommendation from the Employee Relations Division to the Government Operations Committee has been made to transfer

prospectively to the Public Employees Retirement System (PERS) all groups in the Probation Officers Group. The Board and staff discussed all the ramifications of this proposal.

2. The Airport Police requested PERS to improve the retirement benefit to 2% at 50 instead of 2% at 55. The Employee Relations Division requests the Retirement System to prepare a cost report.

3. Supervisor Doris Ward is requesting cost information for her "Sick Leave Bank" proposal. The Board discussed the proposal with staff.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a personnel matter. The Board reconvened in open session and announced that no action had been taken while in Executive Session.

There being no further business the Board adjourned at 5:00 p.m.

Respectfully Submitted.

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, October 25, 1988

1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, October 11, 1988

ACTION: Approved as Amended

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

11:00 A.M

ITEM

1.. PRESENTATIONS BY CANDIDATES FOR REAL ESTATE CONSULTANTS

The following candidates for Real Estate Consultants presented written and oral reports to the Board:

Callan Associates, Inc - Represented by Susan Barlow, Barry Dennis, Micolya Magee, Donald Soderlind

Pension Consulting Alliance - Represented by Allan Emkin and Kenneth Leventhal & Co.

The Townsend Group - - Represented by Kevin Lynch

The Board engaged in a question and answer session with the representatives. No action taken, information item only.

Note: Dr. Weisberg arrived for the 1:30 p.m. portion of the meeting.

1:30 P.M.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 8-88

2. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Leon Baldwin, Jr. $9,500

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Julie De Gregorio $7,500.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Curline Harris $8,500.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Catherine Koche $60,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Walter Loggins $55,312.00

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Stephen Bauer

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Luisa Bernabe Garfil

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Tommy S. King

4. HEARING OFFICER DECISIONS:

a. Aaron O. Barnes
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: March 24, 1987 GRANTED

b. Daniel R. Whittemore
SHERIFF'S DEPT. - Deputy Sheriff
PERS GRANTED

ACTION: It was moved by Denning, seconded by Gibson, to adopt the Consent Calendar, motion passed, 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or if less than two-thirds of the members are present, a

unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Weisberg, to hear the Supplemental Calendar; motion passed, 6-0.

ITEM

1. HEARING OFFICER DECISIONS:

a. Dorothy (Richard) Tomlinson
Continuation
SFFD — Granted

b. Esterine Robinson
SFUSD - 3593 Instructional Aide I
ORD/Stip
Effective Date: July 30,1988 — Granted

c. Geraldine Timms
SFUSD - 2708 Custodian
ORDINARY DISABILITY
Effective Date: March 16, 1988 — Granted

d. James LaBrash
Q80 Captain Police
INDUSTRIAL DISABILITY/STIP — Denied

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Kathy C. Juristo

3. REQUEST FOR AUTHORIZATION FOR TWO STAFF TO ATTEND THE PLAN SPONSOR FORUM SPONSORED BY THE INVESTMENT MANAGEMENT INSITUTE, NOVEMBER 17-19, 1988, THE DEL CORONADO, SAN DIEGO, CALIFORNIA.

4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE.

a.	James F. Hunt	$12,975.00
b.	John Riordan	$10,000.00

5. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

a.	Victor Celis	$ 1,593.36
b.	Edgar D. Chin	$ 6,548.94
c.	Eugene Craft	$ 9,234.37
d.	Hartzell A. Craig	$ 731.11
e.	Deborah Crowther	$ 3,244.44
f.	William Dye	$ 1,910.89
g.	Michael Maxwell	$ 1,606.11
h.	Robert B. McEachern	$ 742.40
i.	Deliah J. Mims	$ 2,863.95
j.	Michael D. Morley	$ 1,050.51
k.	Michael Niland	$ 1,273.45

l.	Khammeck Sackdavang	$ 316.40
m.	Michael Slade	$ 9,812.91
n.	Alfred V. Sotelo, Jr.	$ 4,207.69
o.	Ivy J. Spivey	$ 1,608.91
p.	Alejandro Verzosa	$ 2,218.00

ACTION: It was moved by Weisberg, seconded by Walker, to adopt the Supplemental Calendar with the exception of item 5b; motion passed, 5-1 (Denning).

ACTION: It was moved by Weisberg, seconded by Walker to excuse Commissioner Gibson from voting on item 5b; motion passed, 6-0.

ACTION: It was moved by Weisberg, seconded by Walker, to adopt Supplemental Calendar, item 5b; motion passed, 5-0 (Gibson excused).

REGULAR CALENDAR

ITEM

1. DISMISSAL OF APPLICATIONS FOR:

   a. INDUSTRIAL DISABILITY RETIREMENT - Donald E. Sweeney
   b. INDUSTRIAL DISABILITY RETIREMENT - William Tull

   c. DETERMINATION - Jerry Lankford
   d. DETERMINATION - Gregory J. Cloney

   Pam Levesque, Executive Assistant, presented written and oral reports to the Board on the dismissal of applications for Industrial Disability Retirement for Donald Sweeney, and William Tull and for Determination for Jerry Lankford and Gregory Cloney.

ACTION: It was moved by Denning, seconded by Weisberg, to accept dismissals of the applications for Industrial Disability Retirement and for Determination; motion passed, 6-0.

2. REQUEST FOR REHEARING:

James A. Ryan
POLICE - Deputy Chief
PETITION OF CLARIFICATION — Heart - GRANTED
Effective Date: January 17, 1984 — Back - DENIED

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item

ACTION: It was moved by Gibson, seconded by Denning, to approve the request for rehearing; motion passed; 6-0.

3. REQUEST FOR AUTHORIZATION FOR ONE INVESTMENT STAFF TO ATTEND THE ASSET ALLOCATING SYMPOSIUM, SPONSORED BY INSTITUTIONAL INVESTOR, DECEMBER 5-7, 1988, ARIZONA.

Clare Murphy, General Manager, addressed the Board on this item.

ACTION: It was moved by Walker, seconded by Weisberg, to authorize one Investment staff to attend the Asset Allocating Symposium in Arizona; motion passed, 6-0.

4. REQUEST FOR AUTHORIZATION FOR THE CHIEF ACCOUNTANT TO ATTEND THE 1988 ANNUAL GOVERNMENT GAAP UPDATE SEMINAR SPONSORED BY THE GOVERNMENT FINANCE OFFICERS ASSOCIATION, NOVEMBER 14, 1988, SAN DIEGO.

Clare Murphy, General Manager, addressed the Board on this item.

ACTION: It was moved by Weisberg, seconded by Ashe, to authorize the Chief Accountant to attend the Annual Government GAAP Update Seminar in San Diego; motion passed, 6-0.

INVESTMENT CALENDAR (Contd.)

2. REVIEW OF SOCIAL INVESTMENT POLICY RESTRICTIONS

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on this item. The Board reviewed the social investment policy restrictions and engaged in a question and answer session with the staff.

ACTION: It was moved by Denning, seconded by Ashe, to remove the following seven stocks from the Social Investment Policy restricted list adopted 9/27/88:

Johnson & Johnson
Eli Lily
American Home Products
Mobile Corporation
Chevron Corporation
Texaco Inc.
E I du Pont

Motion passed, 5-1 (Walker).

3. PRESENTATION OF CORE INVESTMENT PLAN

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on this item. The Board reviewed and discussed the Plan and engaged in a question and answer session with the staff.

ACTION: It was moved by Denning, seconded by Ashe, to approve the Core Investment Plan as recommended by staff, provided it meets with the approval of the Chief Investment Officer and of the Nevada Public Employees' Retirement System, and further that the Chief Investment Officer will certify in writing that the final draft incorporates all points discussed at this meeting; motion passed, 6-0.

4. CHIEF INVESTMENT OFFICER'S REPORT
   a. Proxy Votes

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on issues presented in the shareholder proposals for Campbell Soup Co. and Quaker Oats Co. Staff and Board discussed methods for taking single votes on issues which will recur throughout the proxy season.

ACTION: It was moved by Weisberg, seconded by Denning, that it be the Board's policy to oppose and staff be authorised to vote proposals similar to the Evelyn Davis/Campbell Soup Co. proposal seemingly restricting political solicitation of the employer by the employee in those situations where there is no evidence that the company is engaging in inappropriate behaviour; motion passed, 6-0.

ACTION: It was moved by Weisberg, seconded by Walker, that it be the Board's policy to support annual election of company directors and that we instruct the staff to vote proxies in an appropriate fashion; motion passed, 5-1 (Denning).

Discussion of process for voting shareholder proposals occured. It was decided that staff would present alternative procedures to the Board at a future meeting for consideration as new Retirement Board rules.

A final Quaker Oats non-generic proxy was discussed.

ACTION: It was moved by Denning, seconded by Gibson, to support the shareholder proposal to reduce the affirmative vote necessary to approve a merger with a 10% stockholder; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported:

1. The Mayor had a meeting on 1989/90 budget review. It was recommended to have a base line budget. Base line costs and revenue will be submitted in November.

2. A discussion of the preliminary outline of the new issues and any new money expenditure for Retirement System for 1989/1990.

BOARD MEMBERS

President Driscoll discussed:
1. Investment Division Personnel update
2. Hartford Contract request
3. Wharton Money Management Institute

There being no further business, the Board adjourned at 5:25 p.m.

Respectfully Submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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SPECIAL MEETING

Thursday, November 10, 1988
1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg	Commissioner

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, October 25, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 9-88

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Michael D. O'Brien $ 45.88

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joe Barsse

4. HEARING OFFICER DECISIONS:

a) Judith A. Lee
SFGH - 2548 Occupational Therapist
ORDINARY DISABILITY/STIP
Effective Date: September 1, 1988 GRANTED

b) Robert M. Rasmussen
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: August 24, 1988 GRANTED

5. PETITIONS FOR REHEARING:

a) Christie Fazzio
INDUSTRIAL DISABILITY
POLICE - Q2 Police Officer DENIED

b) Carl W.Jackson
INDUSTRIAL DISABILITY
POLICE - Q-50 Sergeant DENIED

6. APPLICATION FOR BIRTHDAY CORRECTION:

Clara L. Cooper

ACTION: It was moved by Walker, seconded by Ashe, to adopt the Consent Calendar; motion passed, 4-0.

Note: The remainder of the calendar was taken out of sequence due to time constraints of the Board members.

INVESTMENT CALENDAR

1. PRESENTATION BY INSTITUTIONAL PROPERTY CONSULTANTS.

Barbara Cambon and Mary Harris of Institutional Property Consultants, made a presentation to the Board on the services Institutional Property Consultants would provide to the Board as a Real Estate Consultant. The Board engaged in a question and answer session with the firm's representatives.

Note: Commissioner Denning arrived during the above presentation.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1988.

Herb Meiberger, Security Analyst, presented a written and oral report to the Board on the performance of internal and external fixed income managers for the period ended September 30, 1988. The Board reviewed and discussed the report with the staff. No action was taken; information item only.

6. STAFF REPORT AND RECOMMENDATIONS ON SELECTION OF REAL ESTATE CONSULTANT.

DeWitt Bowman, Chief Investment Officer, presented oral recommendations on the selection of a Real Estate Consultant. The Board reviewed Mr. Bowman's recommendations and discussed each of the firms who had made presentations.

ACTION: It was moved by Denning, seconded by Gibson, to accept staff's recommendations to hire the Townsend Group to be the Real Estate Consultant for the Retirement System; motion passed, 5-0.

REGULAR CALENDAR

2. REVIEW OF ECONOMIC ASSUMPTIONS FOR 1988/89 VALUATION AND REPORT BY CONSULTING ACTUARY.

Bill Smith of Milliman & Robertson, Inc., Consulting Actuaries, and Kieran Murphy, Staff Actuary, presented a written and oral report to the Board. The Board reviewed and discussed the report with them.

Note: Commissioner Walker left during the above presentation.

ACTION: It was moved by Denning, seconded by Ashe, to accept staff's recommendation to use last year's assumptions for the 1988/89 valuation; motion passed, 4-0.

INVESTMENT CALENDAR (CONTD.)

5. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JANUARY 31, 1989.

DeWitt Bowan, Chief Investment Manager, presented a written and oral report to the Board on allocation of funds for the period ending January 31, 1989. The Board reviewed and discussed the matter with the staff.

ACTION: It was moved by Denning, seconded by Gibson, to approve the allocation of funds for the period ending January 31, 1989; motion passed, 4-0.

7. STAFF REPORT ON QUANTITIVE VALUE MANAGER REVIEW & RECOMMENDATIONS.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on this item. The Board reviewed and discussed the matter with the staff.

ACTION: It was moved by Ashe, seconded by Denning, to accept staff's recommendation on firms to be interviewed with the addition of the firm of Neuberger & Bermans; motion passed, 4-0.

REGULAR CALENDAR (CONTD.)

ITEM

1. REVIEW OF CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM DRAFT ANNUAL REPORT FOR THE FISCAL YEAR 1987-1988.

Pam Levesque, Executive Assistant, presented a written and oral report to the Board on this item. The Board reviewed and discussed the report and engaged in a question and answer session with the staff.

ACTION: It was moved by Denning, seconded by Gibson, to approve the draft Annual Report for the fiscal year 1987-1988; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)2 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Ashe, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

1. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Kai Tung Fong $361.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Audrey A. Moy $2,506.77

2. HEARING OFFICER DECISION:

a. Surcy J. Williams
MUNI - 9102 Transit Car Cleaner
ORDINARY DISABILITY
Effective Date: February 1, 1988 GRANTED

3. PETITION FOR REHEARING:

a. William D. Sowell
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY GRANTED

ACTION: It was moved by Gibson, seconded by Ashe, to adopt the Supplemental Calendar; motion passed, 4-0.

GENERAL MANAGER'S REPORT

a. Conflict of Interest Code

Clare M. Murphy, General Manager, and Pamela Levesque, Executive Assistant, presented a written and oral report to the Board on the Conflict of Interest Code.

ACTION: It was moved by Denning, seconded by Gibson, to approve designated positions and disclosure categories for the proposed Conflict of Interest Code; motion passed 4-0.

Clare M. Murphy, General Manager, reported:

The first budget meeting will be held with the Mayor on November 21, 1988. Ms. Murphy will keep the Board informed as to the results of that meeting.

The Board members were invited by George Springman to a luncheon party in December. The time and place will be forthcoming by invitation.

INVESTMENT CALENDAR (CONTD.)

8. CHIEF INVESTMENT OFFICER'S REPORT.

DeWitt Bowman, Chief Investment Officer, distributed a letter from Furman Selz to the Board members.

3. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1988.

Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report to the Board on the performance of internal and external equity managers for the period ended September 30, 1988. The Board reviewed and discussed the item with the staff. No action was take; information item only.

4. STAFF REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1988.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the total portfolio performance for the the year ended September 30, 1988. The Board reviewed and discussed the portfolio performance with the staff. No action was taken; information item only.

8. CHIEF INVESTMENT OFFICER'S REPORT (CONTD.)

DeWitt Bowman, Chief Investment Officer, presented a final copy of the report on the Core Investment Plan, designed to meet the Retirement System's objectives in terms of property type and size as well as the general outline of the market area.

There being no further business, the Board adjourned at 5:10 p.m.

Respectfully Submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Christine Clark

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SPECIAL MEETING

TUESDAY, NOVEMBER 22, 1988 - 2:00 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg	Commissioner

ABSENT: Nancy Walker — President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

INVESTMENT CALENDAR

ITEM

1. PRESENTATIONS BY CANDIDATES FOR QUANTITATIVE VALUE MANAGER:

Presentations were made by respresentatives of the firms listed below. Board members and staff engaged in questions and answers with those representatives.

Firms which made presentations:

Brandywine Asset Management
Trinity Investment Management
The Chicago Group (Morgan Stanley)
Oppenheimer Capital
Neuberger & Berman Pension Management
Invesco Capital Management

No action was taken, information item only.

There being no other business
the meeting adjourned at 6:30 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A tape was made of this meeting
by Patricia Gillette.

November 22, 1988



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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 29, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg	Commissioner

ABSENT: Nancy Walker — President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, November 10, 1988

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

The following items were presented under the Investment Calendar:

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDED SEPTEMBER 1988.

   Barry Dennis from Callan Associates presented a written and oral report to the Board covering the performance of the portfolio and the managers for the quarter ended September 1988. The Board reviewed the report and discussed the investment performance with Mr. Dennis.

   Note: Commissioners Walker and Denning arrived during the above presentation.

2. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS

   Presentations were made by the representatives of the External Investment Managers listed below. Board members and staff engaged in a question and answer session with the representatives.

   Crossroads Capital
   Schroder Real Estate Associates
   George Springman Inc.
   Warburg Investment Management
   Morgan Grenfell Investment Services

   No action was taken; information item only.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 10-88

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Tommy Benford $550.00

   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Edward Louis Ferdinand $769.33

   c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Stanley Lee $552.80

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
John S. Propst $5,476.19

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Beverly M. Mollo $12,000.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Harry E. Thompson $50,000.00

4. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Robert Hart $51,748.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Anthony Johnson $9,500.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Nick J. Mayo $5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Richard Woo $11,000.00

5. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Campers, Jr.

5. b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Jose Gallegos

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Jade F. Jew

6. HEARING OFFICER DECISIONS:

a) Diane Hayes
Deputy Sheriff
PERS GRANTED

b) Robert J. Korbus
FIRE - H-50 Asst. Chief
INDUSTRIAL DISABILITY/STIP
Effective Date: October 1, 1988 GRANTED

c) William Osuna
Lt. Sheriff's Dept.
PERS GRANTED

ACTION: It was moved by Weisberg, seconded by Gibson, to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. RECOMMENDED RESOLUTION ON PROXY PROCEDURES FOR THE RETIREMENT BOARD.

   Clare Murphy, General Manager, presented a written and oral report to the Board on proxy procedures for the Retirement Board. The Board reviewed and discussed the procedures with the staff.

   ACTION: It was moved by Denning, seconded by Walker, to accept staff's recommendations on proxy procedures; motion passed, 6-0.

2. REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND PENSION ECONOMICS' THIRD ASSET MANAGEMENT FORUM FOR PUBLIC PENSION FUNDS, TO BE HELD DECEMBER 5-6, 1988, IN DALLAS.

   Clare Murphy, General manager, presented a written and oral report to the Board on this item.

   ACTION: It was moved by Denning, seconded by Walker, to authorize one staff to attend the Pension Economics' Third Asset Management Forum for Public Pension Funds to be held in Dallas, December 5-6, 1988.; motion passed, 6-0.

3. REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE 17TH ANNUAL PENSIONS CONFERENCE SPONSORED BY INSTITUTIONAL INVESTOR, JANUARY 5-6, 1989, NEW YORK.

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   ACTION: It was moved by Walker, seconded by Gibson, to authorize staff and Board members to attend the 17th Annual Pensions Conference sponsored by Institutional Investor, to be held in New York on January 5-6, 1989; motion passed, 6-0.

3. SELECTION OF QUANTITATIVE VALUE MANAGER

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the selection of a Quantitative Value Manager. The Board reviewed and discussed the report with the staff and engaged in a question and answer session with them.

ACTION: It was moved by Weisberg, seconded by Walker, to hire Trinity Investment Management Corporation as the Quantitative Value Manager for the Retirement System; motion passed, 4-2 (Denning, Ashe).

ACTION: It was moved by Weisberg, seconded by Walker, to terminate the Retirement System's contract with Furman Selz Capital Management; motion passed, 6-0.

ACTION: It was moved by Weisberg, seconded by Gibson, that Trinity Investment Management Corporation manage $100,000,000 in equities, $58,000,000 of which will be from Furman Selz, and the balanace of $42,000,000 to be raised by reducing equally the allocation to George Springman Inc. and the Equity Index Fund; motion passed, 4-2 (Denning, Ashe).

4. DISCUSSION ON VENTURE CAPITAL PROGRAM.

This item was carried over to the next regularly scheduled Board meeting.

Note: Commissioner Weisberg left the meeting at this time.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Denning, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Richard Modica $511.98

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Nicie Waddell $1,951.00

2. a. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Diane Buchbinder

3. HEARING OFFICER DECISIONS:

a) Donald Clyburn
POLICE - Q2 Police Officer
DETERMINATION
Effective Date: June 14, 1988 to Sept. 30, 1988 GRANTED

b) Kenneth Esposto
POLICE - Q2 Police Officer
REIMBURSEMENT OF MEDICAL EXPENSES GRANTED

c) Charles Larson
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY GRANTED
Effective Date: November 26, 1988

d) Frank J. Scalise
Dist. Attorney'S Office - Investigator
PERS GRANTED

ACTION: It was moved by Gibson, seconded by Walker, to adopt the Supplemental Calendar; motion passed, 5-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:

a. DeWitt Bowman distributed a list of firms who met with staff during the month of October 1988.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a personnel matter. The Board reconvened in open session and announced no action had been taken while in Executive Session.

Theree being no further business, the Board adjourned at 8:07 p.m.

Respectfully Submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, DECEMBER 13, 1988 - 1:30 P.M.

PRESENT:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Paul Denning	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meetings, November 22 and Novemebr 29, 1988
ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM			
1.	a)	VOLUNTARY SERVICE RETIREMENT LIST - 11-88	
2.	a)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: Porfirio Borges	$ 1,254.59
	b)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: Clifton F.Fogarty	$ 859.53
	c)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT Frank M. McDonagh	$10,791.00
	d)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: Edward Ralls	$ 2,145.88
3.	a)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: George Barry	$10,600.00
	b)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Patricia Brown	$4,000.00
	c)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RETURN: Lola Collins	$ 8,000.00
	d)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Edward L. David, Sr.	$74,494.02
	e)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Robert L. Davis	$ 5,000.00 and a settlement in consolidated case
4.	a)	REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Amorfina D. Cruz	
	b)	REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Rolf D. Knauff	

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Terry A. Twing

5. HEARING OFFICER DECISIONS:

a. John R. Gerbich
DPW - 7348 Steamfitter
ORDINARY DISABILITY — DENIED

b Gerald P. Kennealy
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY/STIP
Effective Date: August 2, 1988 — GRANTED

c. Miguel Sotomayor
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date August 1, 1988 — GRANTED

PETITION FOR REHEARING:

d. James R. LaBrash
POLICE DEPT. - Q80 Captain
INDUSTRIAL DISABILITY/STIP — DENIED

ACTION: It was moved by Denning, seconded by Walker, to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REVIEW OF PRELIMINARY RETIREMENT SYSTEM BUDGET FOR 89/90

ACTION: Rudy Hernandez, Deputy General Manager, and Clare Murphy, General Manager presented a written and oral report to the Board on the Preliminary Retirement System Budget for the year 1989/1990. The Board reviewed the budget and engaged in a question and answer session with the staff.

ACTION: It was moved by Gibson, seconded by Denning, to accept the staff's recommendations on the proposed budget; motion passed, 6-0.

Note: Commissioner Weisberg arrived during the above discussion.

2. REQUEST FOR AUTHORIZATION FOR ONE ATTORNEY TO ATTEND THE CALAPRS ROUNDTABLE TO BE HELD ON JANUARY 27, 1989 IN SANTA BARBARA.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

ACTION: It was moved by Denning, seconded by Walker, to authorize one attorney to attend the CALAPRS Roundtable to be held on January 27, 1989, in Santa Barbara, California.

INVESTMENT CALENDAR

ITEM

1. PRESENTATION BY TOWNSEND GROUP, REAL EASTATE CONSULTANTS

   Kevin Lynch and Tom Ahern, representatives of the Townsend Group, presented a written and oral report to the Board. The Board reviewed and discussed the report with staff and the firm's representatives. No action was taken; information item only.

2. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1988.

   Mark Coleman, Security Analyst, presented a written and oral report to the Board on the activities and performance of the External International Fixed Income Managers for the quarter ended September 30, 1988. The Board reviewed and discussed the report with the staff. No action was taken; information item only.

3. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1988.

   Carolyn Hamilton, Assistant Chief of Investments, preseted a written and oral report to the Board on the activities and performance of the External International Equity Managers for the quarter ended September 30, 1988. The Board reviewed and discussed the report with the staff. No action was taken; information item only.

4. DISCUSSION ON VENTURE CAPITAL PROGRAM
   (Carried over from the Board meeting on 11/29/88)

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on this item. The Board reviewed and discussed the report with the staff.

   ACTION: It was moved by Weisberg, seconded by Ashe, to direct staff to develop alternatives to the Venture Capital Program that will include Equity Venture Capital and International Venture Capital programs; motion passed, 6-0.

5. CHIEF INVESTMENT OFFICER'S REPORT

   The Chief Investment Officer:

a. distributed a list of firms who met with staff during the month of November 1988.

b. reported on the Institutional Investor Asset Allocation Symposium attended by him in Arizona, December 5-7.

6. SOCIAL INVESTMENT POLICY: MCBRIDE PRINCIPLES REPORT

Clare Murphy, General Manager, DeWitt Bowman, Chief Investment Officer and Ken Taymor, Special Assistant to the City Attorney, presented a written and oral report to the Board on the McBride Principles. The Board reviewed the proposed addition to the Social Investment Policy and discussed the implications of implementing the McBride Principles.

ACTION: It was moved by Gibson, seconded by Weisberg, to adopt under the Retirement Board's existing Social Investment Policy and accompanying procedures a policy to support the McBride Principles, except for item No. 5 which may not represent the interest of the beneficiaries of the System, the Board will vote proxies in accordance with this policy. And if at the end of this year's proxy season, should the Board find that they are not in a situation where they can evince their agreement with the other items of the McBride Principles, then they will consider moving to the next level of the Social Investment Procedures which will be to actively promote proxies which would substantially conform with the policy position of the Board; motion passed, 6-0.

Note: Commissioners Driscoll and Weisberg left the meeting at this time.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Denning, seconded by Walker, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM			
1.	a)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: David Albright	$2,488.18
	b)	SETTLEMENT OF DIPUTED CLAIM - THIRD PARTY SETTLEMENT: Michael Cesari	$505.50
	c)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: Alan Honnibal	$457.00
	d)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT: Peter H. Martin	$86.00

2. HEARING OFFICER DECISION:

a. James Bloesch (Stephanie)
POLICE - Q-2 Police Officer
DEATH AS A RESULT OF DUTY
Effective Date: August 2, 1988 — GRANTED

b. Freddy W. Smith
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: February 1, 1988 — GRANTED

PETITION FOR REHEARING:

c. Steven Bolander
POLICE - Q-2 Police Officer
INDUSTRIAL DISABILITY — Date of Retirement amended to October 31, 1987; Rehearing Denied.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the Supplemental Calendar; motion passed, 4-0.

GENERAL MANAGERS' REPORT

The General manager reported that:

a) A letter was received from Morgan Grenfell, informing the Retirement System that one of their affliate companies within the Morgan Grenfell Group had withdrawn from Bond and equity market-making in the UK, due to over-capacity in the London market. However, none of their investment operations, in London or New York were affected by this change.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a personnel issue. The Board reconvened in open session and announced no action had been taken while in Executive Session.

There being no further business, the Board adjourned at 6:30 p.m.

Respectfully Submitted,

Clare M. Murphy
General manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.